

# TABLED BUDGET OF JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG  
LOCAL MUNICIPALITY

(NC 451)

## 2018/19 TO 2020/21 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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## Glossary

**Adjustments Budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities

**AFS**- Annual Financial Statements

**Budget** – The financial plan of the Municipality

**Budget Related Policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period

**CFO** - Chief Financial Officer

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome

**MFMA** – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position

**NT** – National Treasury

**Operating Expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand

**R&M** – Repairs and maintenance on property, plant and equipment

**SCM** – Supply Chain Management

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Unauthorised expenditure** – Generally, spending without, or in excess of, an approved budget

**Vote** means one of the main segment into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.

**Zero Based Budgeting** means as opposed to incremental budgeting, zero-based budgeting means that each year's budget is drawn up independently from that of the previous year. This means that items are not included simply because they were in the previous budget. Each item has to be justified and motivated for and the purpose of each item is considered. All items in the capital are treated on a "zero-basis"

## **PART 1**

### **MAYOR'S REPORT**

Honorable Speaker,  
Members of the Executive Committee,  
Councilors,  
Our Traditional Leaders,  
Municipal Manager,  
Senior Managers,  
Guests,  
Ladies and Gentlemen,  
Good day to you all.

Thank you for the opportunity to present the Draft Budget for the 2018/19 financial year. As mandated by the electorate, we have to acknowledge the progress we have made to close gaps of poverty, employment and inequality.

Honorable Speaker this year, we celebrate the 100<sup>th</sup> anniversary of the birth of one of the greatest leaders this country, this continent and the world has known – Isithwalandwe, Seaparankwe Nelson Rolihlahla Mandela. We shall renew our focus on comrade Mandela's vision of a non-racial society in which the social and economic barriers that have separated black from white are torn down. We shall redouble our efforts to build a society in which black poverty and white privilege are consigned to the past, replaced by respect, solidarity and non-racial equality.

We shall place at the top of our agenda Madiba's vision of a non-sexist society in which the oppression and exploitation of women – whether in the workplace, in communities or in the home – is eradicated. We will work to ensure we achieve comprehensive development of women in all spheres of life so as to ensure that there is equality between women and men.

We shall work to rekindle Madiba's vision of a democratic society in which all citizens have equal opportunity to determine their own destiny. We shall achieve this not only

through strengthening the instruments of representative and participatory democracy; but also by ensuring that people have economic opportunities and the ability to make choices about their own lives. We shall work to strengthen organs of civil society, including street committees and other community-based organisations, understanding that they provide the means through which people can participate fully in changing their lives for the better.

Honorable Speaker

The Municipality should help contribute towards meeting the targets set by the NDP of creating 11 million jobs by 2030 through facilitation of small and medium sized enterprises that will create a greater portion of job opportunities. We should discourage this silo mentality of business people working selfishly so that they can grow and uplift one another.

This Draft Budget will update the Council and the community of Joe Morolong Local Municipality about the revenue, expenditure and the projections for the next fiscal year.

Speaker

Due to economic down-turn, this Draft Budget does not come near to solving our challenges. However, we are, without any doubt, acutely aware of the enormous responsibility facing us to continue unwaveringly with our quest to ensure that the ideals of a free and democratic society are upheld. Much still needs to be done and significant challenges are still facing us, but our pledge to our citizens is that we will not divert from our course towards a better life for all.

Management of Joe Morolong Local Municipality has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Joe Morolong.

Budgeting is primarily about the choices that the Municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality

remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

Honorable Speaker, the allocation we are setting aside for capital expenditure underscores our commitment to accelerating service delivery through efficient and good governance.

### **FOCUS OF THE 2018/19 BUDGET**

- ❖ With the 2017/18 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.
- ❖ Maintenance and renewal of existing infrastructure should enjoy preference and we are focusing on preventative and scheduled maintenance preceded by proper planning processes.
- ❖ Innovative service delivery mechanisms such as the building of internal capacity to get more value for budget allocations.
- ❖ Provision of much needed infrastructure to ensure the economic progression of our communities
- ❖ Provision of basic services, improvement of the quality infrastructures well as sustainable service delivery.

Total revenue has increase to R305 million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget R289 million. The R305 million consist of R55 million from own revenue and R250 million from Grants of which its 82% of total revenue.

Total operating expenditure for the 2018/19 financial year has been appropriated at R 174 710 million. When compared to the 2017/18 Adjustments Budget, operational expenditure has increased by R 10 million in the 2018/19 budget and will increase by R 16 million and R 14 million for each of the respective outer years of the MTREF.

## **CAPITAL BUDGET**

For 2018/19 an amount of R 122 million has been budgeted for capital expenditure, decreases to R 113.9million in 2019/20 and R173.2 million in 2020/21.

For 2018/19 financial year water receives the highest allocation of R 85.6 million, which represent 70.4 per cent followed by roads at R 15.4 million(12.6 per cent), waste water management at R 12.9 million(10.6 per cent) and 6 per cent for other capital projects

Total budget for capital expenditure amount to R122 million.

The capital budget for the 2018/19 financial year amounts to R 122 Million with the main focus on the following:

|                                        |                |
|----------------------------------------|----------------|
| ❖ Provision of water                   | R 85.6 Million |
| ❖ Roads                                | R 15.4 Million |
| ❖ Sanitation                           | R 12.9 Million |
| ❖ Community Halls                      | R 3.0 Million  |
| ❖ Cemeteries                           | R 1.5 Million  |
| ❖ Computers, Offices Equipment & Other | R 1.7 Million  |
| ❖ Municipal Office Fencing             | R 0.6 million  |
| ❖ Building                             | R 0.2 million  |
| ❖ Lawnmower                            | R 0.4 million  |
| ❖ Soft wares                           | R 0.4          |

Capital projects for the 2018/19 financial year are funded from grants receivable from the National Government amounting to R 113.9 Million and own funding to the amount of R 7.7 Million

## **IN CONCLUSION**

The Draft Budget we are tabling here today is another step closer in attaining the strategic goals of the Municipality which includes amongst others, institutional development and transformation, service delivery to all our communities, the financial viability and sustainability of the Municipality as well as good administration and public participation.



Thank you to the Municipal Manager who I believe has done an excellent job in leading the administration in the direction we both wish to move in and to the Directors and staff for their continued hard work in delivering services in line with the Municipality's vision of "A wealthy and prosperous local community with equal access to basic services and sustainable development opportunities".

I would like to thank Councillors who have a difficult task of balancing community expectation with limited resources.

**I THANK YOU**

**Cllr DD Leutlwetse**

**MAYOR**

## **Council's Budget Resolution**

- ❖ Council of Joe Morolong Local Municipality, acting in terms of section 24 of the Municipality Finance Management Act: Act 56 of 2003, approves and adopt the Annual Budget for 2018/19 financial year and single-year capital appropriations as set-out in the core table contained in the bound budget document with effect from the a 1 July 2018.
  - ✓ Table A2: Budgeted Financial Performance (expenditure by standard classification)
  - ✓ Table A3: Budgeted Financial Performance (expenditure by municipal vote)
  - ✓ Table A4: Budgeted Financial Performance (revenue by source)
  - ✓ Table A5: Budgeted Capital Expenditure for both multi-year and single year appropriations by vote, standard classification and funding
- ❖ The council also, acting in terms of Section 75A of the municipality System Act, Act 32 of 2000, adopted with effect from 1 July 2018.
  1. Tariffs for property rates, electricity, water supply, sanitation services and solid waste services and tariffs for other services.
  2. And the Council of Joe Morolong approved cash backing implemented through the utilisation of bulk services fees and portion of revenue generated from property rates to ensure cash backing for unspent conditional grants for effectiveness to the Municipal budget as required by the legal prescripts, Section 8 of the municipality Budget and Reporting Regulations.

**BUDGET RELATED POLICIES TABLED TO COUNCIL ALONG-SIDE WITH THE BUDGET:**

- 1) Property Rates Policy
- 2) Banking and Investment Policy
- 3) Budget, Funding, Reserves & Virement Policy
- 4) Credit Control and Debt Collection Policy
- 5) Fixed Assets Policy
- 6) Indigent Policy
- 7) Risk Management Policy
- 8) Supply Chain Management Policy
- 9) Tariffs Policy
- 10) Fruitless and Wasteful Expenditure Policy
- 11) Cash Shortage Policy
- 12) Bad Debt Write Off Policy
- 13) Asset Management Policy
- 14) Petty Cash Policy

**BUDGET RESOLUTION: 172/2017/18**

## **1.1 Executive Summary**

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all members of communities.

The municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on "nice to have" items in order to save money and improve service delivery. Key areas where savings were realized were on telephone and internet usage, workshops payment and catering.

- **National Treasury's MFMA Circular Nos. 67, 70, 78, 79, 90 and 91 were used to guide the compilation of the 2018/19 MTREF.**
- **The main challenges experienced during the compilation of the 2018/19 MTREF can be summarized as follows:**
  - The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and cash position of the municipality;
  - The municipality's inability to generate enough own revenue to assist the infrastructure challenges in our communities.
  - Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
  - Affordability of capital projects

- **The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:**
- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/19 draft budget
  - The budget was prepared on a zero base principle and some of the operational expenses such as some contracted service and fuel expenses were prepared based on the 2017/18 financial year performance.
  - Intermediate service level standards were used to inform the, targets and backlog eradication goals;
  - Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs. For the next financial year, tariffs and property rates have been increased and there are two separate tariffs and rates applicable to municipality; being the one for businesses and the other for residential
  - Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
  - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2018/19 Medium-term Revenue and Expenditure Framework:

**Table 1 Overview of the 2018/19 MTREF**

| DESCRIPTION                    | Adjustment<br>Budget<br>2017/18<br>R '000 | Budget Year<br>2018/19<br>R '000 | Budget Year<br>+1<br>2019/20<br>R '000 | Budget Year +2<br>2020/21<br>R '000 |
|--------------------------------|-------------------------------------------|----------------------------------|----------------------------------------|-------------------------------------|
| Total Revenue                  | 289,323                                   | 305,435                          | 313,271                                | 386,986                             |
| Total Operating Expenditure    | 174,710                                   | 184,924                          | 200,474                                | 214,904                             |
| (Surplus)/Deficit for the year | 114,613                                   | 120,511                          | 112,797                                | 172,082                             |
| Total Capital Expenditure      | 114,613                                   | 120,511                          | 112,797                                | 172,082                             |

Total operating revenue has increase by R 16 million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget this is as results of growth in capital grants (WSIG). For the two outer years, operational revenue will increase by R8 million and then increase by R 74 million respectively.

Total operating expenditure for the 2018/19 financial year has been appropriated at R 174 710 million with no budgeted surplus. When compared to the 2017/18 Adjustments Budget, operational expenditure has increased by R 10 million in the 2018/19 budget and will increase by R 16 million and R 14 million for each of the respective outer years of the MTREF. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R 120 million for 2018/19 has increased by R5.8 million when compared to the 2017/18 Adjustment Budget. The capital programme increases to R112.8 million in the 2019/20 financial year and R172.0 million in 2020/21. The capital budget will be funded from government grants and internally generated funds (surplus) over MTREF.

## **1.2. Operating Revenue Framework**

For Joe Morolong local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality.

The reality is that we are faced with development backlogs, poverty and high unemployment.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is to be built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Trading services are fully cost-reflective and ring-fenced;
- Determining the tariff escalation rate by calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of subsidised services; and
- Tariff policies of the municipality.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

| Description                                                          | Ref      | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                                                    | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Revenue By Source</b>                                             |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 2        | 12,134          | 10,418          | 24,967          | 13,054               | 29,848          | 29,848             | -                 | 32,396                                              | 34,178                 | 36,058                 |
| Service charges - electricity revenue                                | 2        | 4,547           | 5,251           | 4,576           | 6,072                | 3,711           | 3,711              | -                 | 4,734                                               | 6,026                  | 7,670                  |
| Service charges - water revenue                                      | 2        | 13,571          | 22,823          | 10,001          | 16,712               | 11,712          | 11,712             | -                 | 11,198                                              | 11,814                 | 12,464                 |
| Service charges - sanitation revenue                                 | 2        | 1,557           | 1,887           | 1,935           | 1,951                | 1,951           | 1,951              | -                 | 2,103                                               | 2,218                  | 2,340                  |
| Service charges - refuse revenue                                     | 2        | 868             | 976             | 1,078           | 1,000                | 1,000           | 1,000              | -                 | 1,211                                               | 1,277                  | 1,347                  |
| Service charges - other                                              |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Rental of facilities and equipment                                   |          | 74              | 62              | 171             | 263                  | 102             | 102                |                   | 136                                                 | 144                    | 151                    |
| Interest earned - external investments                               |          | 1,155           | 2,706           | 2,042           |                      | 847             | 847                |                   | 1,000                                               | 1,055                  | 1,113                  |
| Interest earned - outstanding debtors                                |          | 4,583           | 7,337           | 11,011          | 55                   | 6,619           | 6,619              |                   |                                                     |                        |                        |
| Dividends received                                                   |          | -               |                 |                 |                      | -               | -                  |                   |                                                     |                        |                        |
| Fines, penalties and forfeits                                        |          | -               |                 |                 |                      | -               | -                  |                   |                                                     |                        |                        |
| Licences and permits                                                 |          | -               |                 |                 |                      | -               | -                  |                   |                                                     |                        |                        |
| Agency services                                                      |          | -               |                 |                 | 90                   | -               | -                  |                   | 10                                                  | 11                     | 11                     |
| Transfers and subsidies                                              |          | 195,240         | 137,779         | 114,115         | 129,439              | 128,689         | 128,689            |                   | 133,935                                             | 144,083                | 154,410                |
| Other revenue                                                        | 2        | 751             | 2,818           | 1,639           | 554                  | 1,828           | 1,828              | -                 | 2,388                                               | 2,441                  | 2,575                  |
| Gains on disposal of PPE                                             |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |          | <b>234,481</b>  | <b>192,057</b>  | <b>171,534</b>  | <b>169,188</b>       | <b>186,308</b>  | <b>186,308</b>     | <b>-</b>          | <b>189,111</b>                                      | <b>203,246</b>         | <b>218,140</b>         |

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality's revenue from operating grants and transfers totals R189 million in 2018/19 and steadily increases to R203.2 million by 2019/20 and increases to R218 by 2020/21 of total revenue of municipality generated from grants, the revenue from operating grants form a significant percentage of the revenue basket for the Joe Morolong Local Municipality. The increase in property rates revenue in relation to the updated valuation, whereby there are additional mining development in the area. In terms of services charges mainly water municipality is busy installing the meters in all government sector department (e.g. schools, clinics, etc.) where they have been receiving water for free and decided to install prepaid meter for all new water projects that they undertake in order to manage water usage.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:



**Table 3 Operating Transfers and Grant Receipts**

| Description<br>R thousand                   | Ref  | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                             |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>RECEIPTS:</b>                            | 1, 2 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Operating Transfers and Grants</b>       |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                 |      | 105,789         | 142,694         | 117,851         | 124,748              | 123,998         | 123,998            | 132,297                                             | 142,445                | 153,002                |
| Local Government Equitable Share            |      | 93,255          | 115,253         | 115,068         | 121,603              | 121,603         | 121,603            | 128,635                                             | 139,765                | 149,890                |
| Water Services Operating Subsidy            |      | 10,000          | 22,500          |                 |                      | -               | -                  |                                                     |                        |                        |
| Finance Management                          |      | 1,600           | 1,675           | 1,742           | 2,145                | 2,145           | 2,145              | 2,215                                               | 2,680                  | 3,112                  |
| Municipal Systems Improvement               |      | 934             | 930             |                 | 1,000                | 250             | 250                |                                                     |                        |                        |
| EPWP Incentive                              |      |                 | 2,336           | 1,041           |                      | -               | -                  | 1,447                                               |                        |                        |
| Other transfers/grants [insert description] |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Provincial Government:</b>               |      | 969             | 371             | 11,485          | 1,638                | 1,638           | 1,638              | 1,638                                               | 1,638                  | 1,408                  |
| Sport and Recreation                        |      | 969             | 371             | 1,870           | 1,638                | 1,638           | 1,638              | 1,638                                               | 1,638                  | 1,408                  |
| Housing                                     |      |                 |                 | 9,615           |                      |                 |                    |                                                     |                        |                        |
| Other transfers/grants [insert description] |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>District Municipality:</b>               |      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| [insert description]                        |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>               |      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| [insert description]                        |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total Operating Transfers and Grants</b> | 5    | 106,758         | 143,065         | 129,336         | 126,386              | 125,636         | 125,636            | 133,935                                             | 144,083                | 154,410                |

### 1.2.1. Operational revenue assumptions – tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. All increases in excess of the 5.2 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Sedibeng Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and water, these tariffs are largely outside the control of the municipality.

Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

### **1.2.2. Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of Section 17(1)(h) of the Property Rates Act.
- 100% rebate will granted to registered indigents in terms of the Indigent Policy

**Table 4 Comparison of rates to be levied for the 2018/19 financial year**

A tariff increase of 7 percent for property rates from 1 July 2018 is tabled(proposed) by council.

| Category               | Current Tariff (from 01 July 2017) | Approved Tariff (from 01 July 2018) |
|------------------------|------------------------------------|-------------------------------------|
|                        | <b>c</b>                           | <b>c</b>                            |
| Residential properties | 0.00936                            | 0.01002                             |
| State owned properties | 0.01714                            | 0.01834                             |
| Business & Commercial  | 0.01897                            | 0.02030                             |
| Agricultural           | 0.00936                            | 0.01002                             |
| Industrial             | 0.01897                            | 0.02030                             |
| Mines                  | 0.01897                            | 0.02030                             |

### 1.2.3 Sales of Water and Impact of Tariff Increases

South Africa in general faces similar challenges with regard to water supply.

Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of water infrastructure, water networks and the operational cost
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

A tariff increase of 5.2 per cent as from 1 July 2018 for water. In addition 6kl of water per 30 day period will again be granted for free to all the registered indigents.

**Table 5 Approved Water Tariffs**

| Category           | Current Tariffs 2017/18 | Approved Tariffs 2018/19 |
|--------------------|-------------------------|--------------------------|
| <b>Residential</b> | <b>Rand per l</b>       | <b>Rand per kl</b>       |
| 0 – 10 k/l         | 0.10                    | 6.05                     |
| 10 – 20 k/l        | 0.15                    | 7.56                     |
| > 20 k/l           | 0.20                    | 14.44                    |
| <b>Business</b>    |                         |                          |
| 0 – 10 k/l         | 0.20                    | 15.12                    |
| 10 – 20 k/l        | 0.30                    | 19.55                    |
| > 20 k/l           | 0.40                    | 26.68                    |

|                   |       |       |
|-------------------|-------|-------|
| <b>Industrial</b> |       |       |
| 0 – 10 k/l        | 46.29 | 42.34 |
| 10 – 20 k/l       | 59.51 | 54.44 |
| > 20 k/l          | 85.96 | 78.64 |

#### 1.2.4. Sanitation and Impact of Tariff Increase

A tariff increase of 7 percent for sanitation from 1 July 2018 is tabled by council.

**Table 6 Comparison between current sanitation charges and increases**

| Categories          | Current Tariffs 2017/18 | Approved Tariffs 2018/19 |
|---------------------|-------------------------|--------------------------|
| <b>Residential</b>  |                         |                          |
| Availability charge | 69.47                   | 74.34                    |
| Basic charge        | 69.47                   | 74.34                    |
| Charge per Toilet   | 96.09                   | 102.82                   |
| <b>Business</b>     |                         |                          |
| Availability charge | 79.86                   | 85.45                    |
| Basic charge        | 79.86                   | 85.45                    |
| Charge per Toilet   | 171.41                  | 183.41                   |
|                     |                         |                          |

#### 1.2.5 Refuse and Impact of Tariff Increases

A tariff increase of 6 percent for refuse from 1 July 2018 is tabled by council

**Table 7 Comparison between current refuse charges and increases**

| Categories               | Current Tariffs 2017/18 | Approved Tariffs 2018/19 |
|--------------------------|-------------------------|--------------------------|
| <b>Van Zylsrus</b>       |                         |                          |
| Residential              | 27.92                   | 29.87                    |
| Business (per container) | 57.94                   | 62.00                    |
|                          |                         |                          |
| <b>Hotazel</b>           |                         |                          |
| Availability charge      | 47.66                   | 50.99                    |
| Basic charge             | 47.66                   | 50.99                    |
| Basic removal charge     | 140.63                  | 150.48                   |

### 1.2.6 Electricity and impact of Tariff Increases

A tariff increase of 7.32% percent for electricity from 1 July 2018 is tabled by council as recommended by NERSA in MFMA Circular no: 91

**Table 8 Comparison between current electricity charges and increases**

| Categories                    | Current Tariffs 2017/18 | Approved Tariffs 2018/19 |
|-------------------------------|-------------------------|--------------------------|
| <b>Hotazel</b>                |                         |                          |
| Availability charge           | 104.14                  | 111.76                   |
| <b>Single Phased pre-paid</b> |                         | -                        |
| -basic charge                 | 89.37                   | 95.92                    |
| -per kwh                      | 1.65                    | 1.77                     |
| <b>Three phase pre-paid</b>   |                         | -                        |
| -basic charge                 | 130.16                  | 139.69                   |
| -per kwh                      | 2.00                    | 2.14                     |
| <b>Normal metered</b>         |                         | -                        |
| -basic charge                 | 130.16                  | 139.69                   |
| -per kwh                      | 1.65                    | 1.77                     |

**The tariffs for 2018/19 MTREF are based on the following assumptions:**

- That the demand for services is expected to increase due to incorporation of a township into the municipality's jurisdiction, meaning that consumers will consume at a higher level compared to the previous period.
- That the paying customers will continue paying for their services and those who cannot afford will register as indigents and benefit from free basic services.
- That credit control policy will be applied to prevent customers in accumulating debt without paying the municipality and entering into a repayment arrangement with the municipality's finance department.
- That non-paying customers including indigents who consume more than the approved quantum will be disconnected from services in line with the credit control policy until acceptable arrangements/payments are made.
- That the municipality will take a conservative approach on tariff hike taking into account affordability and inflation.

- That no surcharges will be implemented in their near future for all services
- That consumers will continue to switch over from post-paid to prepaid electricity metering
- That the municipality will subsidize the indigent for the first 6kl of water.
- That the average tariff increases will be as affordable as possible.

### **1.2.7 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 5.2 per cent and 7.32 per cent.

**Table 9– Table SA14 Household bills**

**NC451 Joe Morolong - Supporting Table SA14  
Household bills**

| Description                                                                                       | Ref | 2014/15            | 2015/16            | 2016/17            | Current Year 2017/18 |                    |                          | 2018/19<br>Medium<br>Term<br>Revenue &<br>Expenditure<br>Framework |                           |                              |                              |
|---------------------------------------------------------------------------------------------------|-----|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------------|--------------------------------------------------------------------|---------------------------|------------------------------|------------------------------|
|                                                                                                   |     | Audited<br>Outcome | Audited<br>Outcome | Audited<br>Outcome | Original<br>Budget   | Adjusted<br>Budget | Full<br>Year<br>Forecast | Budget<br>Year<br>2018/19<br>% incr.                               | Budget<br>Year<br>2018/19 | Budget<br>Year +1<br>2019/20 | Budget<br>Year +2<br>2020/21 |
| Rand/cent                                                                                         |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>Monthly Account for Household -<br/>'Middle Income Range'</b>                                  | 1   |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>Rates and services charges:</b>                                                                |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Property rates                                                                                    |     | 99.84              | 106.83             | 113.24             | 120.03               | 120.03             | 120.03                   | 7.0%                                                               | 127.23                    | 127.23                       | 127.23                       |
| Electricity: Basic levy                                                                           |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Electricity: Consumption                                                                          |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Water: Basic levy                                                                                 |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Water: Consumption                                                                                |     | 1,811.91           | 2,011.22           | 2,252.57           | 2,522.87             | 2,522.87           | 2,522.87                 | 5.2%                                                               | 2,825.62                  | 2,825.62                     | 2,825.62                     |
| Sanitation                                                                                        |     | 332.89             | 356.19             | 377.56             | 400.22               | 400.22             | 400.22                   | 5.2%                                                               | 400.22                    | 400.22                       | 400.22                       |
| Refuse removal                                                                                    |     | 175.22             | 187.49             | 198.73             | 210.66               | 210.66             | 210.66                   | 5.2%                                                               | 210.66                    | 210.66                       | 210.66                       |
| Other                                                                                             |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>sub-total</b>                                                                                  |     | <b>2,419.86</b>    | <b>2,661.73</b>    | <b>2,942.10</b>    | <b>3,253.78</b>      | <b>3,253.78</b>    | <b>3,253.78</b>          | <b>9.5%</b>                                                        | <b>3,563.73</b>           | <b>3,563.73</b>              | <b>3,563.73</b>              |
| VAT on Services                                                                                   |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>Total large household bill:</b>                                                                |     | <b>2,419.86</b>    | <b>2,661.73</b>    | <b>2,942.10</b>    | <b>3,253.78</b>      | <b>3,253.78</b>    | <b>3,253.78</b>          | <b>9.5%</b>                                                        | <b>3,563.73</b>           | <b>3,563.73</b>              | <b>3,563.73</b>              |
| <b>% increase/-decrease</b>                                                                       |     |                    | <b>10.0%</b>       | <b>10.5%</b>       | <b>10.6%</b>         | <b>-</b>           | <b>-</b>                 | <b>9.5%</b>                                                        | <b>9.5%</b>               | <b>-</b>                     | <b>-</b>                     |
| <b>Monthly Account for Household -<br/>'Affordable Range'</b>                                     | 2   |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>Rates and services charges:</b>                                                                |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Property rates                                                                                    |     | 57.17              | 61.17              | 64.84              | 68.73                | 68.73              | 68.73                    | 7.0%                                                               | 72.86                     | 72.86                        | 72.86                        |
| Electricity: Basic levy                                                                           |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Electricity: Consumption                                                                          |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Water: Basic levy                                                                                 |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Water: Consumption                                                                                |     | 501.76             | 556.95             | 623.79             | 698.64               | 698.64             | 698.64                   | 5.2%                                                               | 782.48                    | 782.48                       | 782.48                       |
| Sanitation                                                                                        |     | 24.50              | 26.22              | 27.79              | 29.46                | 29.46              | 29.46                    | 5.2%                                                               | 29.46                     | 29.46                        | 29.46                        |
| Refuse removal                                                                                    |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Other                                                                                             |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>sub-total</b>                                                                                  |     | <b>583.43</b>      | <b>644.34</b>      | <b>716.42</b>      | <b>796.83</b>        | <b>796.83</b>      | <b>796.83</b>            | <b>11.0%</b>                                                       | <b>884.79</b>             | <b>884.79</b>                | <b>884.79</b>                |
| VAT on Services                                                                                   |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>Total small household bill:</b>                                                                |     | <b>583.43</b>      | <b>644.34</b>      | <b>716.42</b>      | <b>796.83</b>        | <b>796.83</b>      | <b>796.83</b>            | <b>11.0%</b>                                                       | <b>884.79</b>             | <b>884.79</b>                | <b>884.79</b>                |
| <b>% increase/-decrease</b>                                                                       |     |                    | <b>10.4%</b>       | <b>11.2%</b>       | <b>11.2%</b>         | <b>-</b>           | <b>-</b>                 | <b>11.0%</b>                                                       | <b>11.0%</b>              | <b>-</b>                     | <b>-</b>                     |
| <b>Monthly Account for Household -<br/>'Indigent' Household receiving free<br/>basic services</b> | 3   |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>Rates and services charges:</b>                                                                |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Property rates                                                                                    |     | 57.00              | 63.95              | 70.09              | 76.82                | 76.82              | 76.82                    | 9.6%                                                               | 84.20                     | 84.20                        | 84.20                        |
| Electricity: Basic levy                                                                           |     | -                  |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Electricity: Consumption                                                                          |     | 4.06               | 4.51               | 5.05               | 5.65                 | 5.65               | 5.65                     | 12.0%                                                              | 6.33                      | 6.33                         | 6.33                         |
| Water: Basic levy                                                                                 |     | 53.12              | 56.84              | 60.25              | 63.86                | 63.86              | 63.86                    | 6.0%                                                               | 67.70                     | 67.70                        | 67.70                        |
| Water: Consumption                                                                                |     | 21.50              | 23.01              | 24.39              | 25.85                | 25.85              | 25.85                    | 6.0%                                                               | 27.40                     | 27.40                        | 27.40                        |
| Sanitation                                                                                        |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Refuse removal                                                                                    |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| Other                                                                                             |     |                    |                    |                    |                      |                    |                          |                                                                    |                           |                              |                              |
| <b>sub-total</b>                                                                                  |     | <b>135.68</b>      | <b>148.30</b>      | <b>159.77</b>      | <b>172.19</b>        | <b>172.19</b>      | <b>172.19</b>            | <b>7.8%</b>                                                        | <b>185.62</b>             | <b>185.62</b>                | <b>185.62</b>                |
| VAT on Services                                                                                   |     |                    |                    |                    |                      |                    |                          | <b>15.0%</b>                                                       |                           |                              |                              |
| <b>Total small household bill:</b>                                                                |     | <b>135.68</b>      | <b>148.30</b>      | <b>159.77</b>      | <b>172.19</b>        | <b>172.19</b>      | <b>172.19</b>            | <b>7.8%</b>                                                        | <b>185.62</b>             | <b>185.62</b>                | <b>185.62</b>                |
| <b>% increase/-decrease</b>                                                                       |     |                    | <b>9.3%</b>        | <b>7.7%</b>        | <b>7.8%</b>          | <b>-</b>           | <b>-</b>                 | <b>7.8%</b>                                                        | <b>7.8%</b>               | <b>-</b>                     | <b>-</b>                     |

### 1.3 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- Budgetary constraints (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Funding compliance Budget Circular 42
- Operational gains and efficiencies will be directed to funding repairs and maintenance;
- Strict adherences to the principle of no project plan *no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

**Table 10 Summary of operating expenditure by standard classification item**

**NC451 Joe Morolong - Table A4 Budgeted Financial Performance  
(revenue and expenditure)**

| Description                     | Ref  | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                      | 1    | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Expenditure By Type</b>      |      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs          | 2    | 47,464          | 56,714          | 65,440          | 55,785               | 59,138          | 59,138             | –                 | 72,032                                              | 77,080                 | 82,362                 |
| Remuneration of councillors     |      | 8,531           | 7,818           | 9,253           | 10,423               | 10,423          | 10,423             |                   | 11,684                                              | 12,537                 | 13,452                 |
| Debt impairment                 | 3    | (59,839)        | 79,249          |                 | 3,092                | 3,092           | 3,092              |                   | 4,752                                               | 5,014                  | 5,289                  |
| Depreciation & asset impairment | 2    | 26,491          | 57,118          | 10,702          | 10,000               | 10,000          | 10,000             | –                 | 18,373                                              | 23,405                 | 26,834                 |
| Finance charges                 |      | 202             | 3,664           | 3,000           | 784                  | 656             | 656                |                   | 269                                                 | 284                    | 300                    |
| Bulk purchases                  | 2    | –               | 10,095          | 11,018          | 12,340               | 13,340          | 13,340             | –                 | 14,131                                              | 14,909                 | 15,729                 |
| Other materials                 | 8    |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Contracted services             |      | 466             | 10,148          | 36,651          | 21,167               | 25,048          | 25,048             | –                 | 9,500                                               | 10,023                 | 10,574                 |
| Transfers and subsidies         |      | 18,379          | 55,407          | 25,225          | 5,143                | 4,043           | 4,043              | –                 | 4,215                                               | 4,447                  | 4,691                  |
| Other expenditure               | 4, 5 | 48,457          | 74,421          | 44,470          | 42,348               | 48,987          | 48,861             | –                 | 49,968                                              | 52,776                 | 55,674                 |
| Loss on disposal of PPE         |      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Expenditure</b>        |      | <b>90,151</b>   | <b>354,633</b>  | <b>205,758</b>  | <b>161,082</b>       | <b>174,725</b>  | <b>174,599</b>     | <b>–</b>          | <b>184,924</b>                                      | <b>200,474</b>         | <b>214,904</b>         |



The budgeted allocation for employee related costs for the 2018/19 financial year totals R72 million. The previous year's collective SALGBC wage increase averaged above inflation. Salary increases have been factored into this budget at a percentage increase of 6.0 per cent for the 2018/19 financial year. An annual increase of 6.0 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of Councilors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 90 percent and the Debt Write-off Policy of the municipality.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges which is R269 thousands for 2018/19 and increases to R284 thousands by 2019/20.

Bulk purchases are directly informed by the purchase of electricity from Eskom and bulk water from Sedibeng Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality including repairs and maintenance. This group of expenditure has also been investigated as a possible avenue where savings and efficiencies can be achieved but the cost under these items are relatively fixed due to the fact that we were already very conservative when compiling the budget, growth has been limited to average increase of 5.2 per cent for 2018/19 unless there was a specific reason for such line item to be more than inflation.

### 1.3.1 Repairs and Maintenance

**Table 11 Repairs and Maintenance per asset class**

NC451 Joe Morolong - Supporting Table SA34c Repairs and maintenance expenditure by asset class

| Description                                                                | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                                                 | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b><u>Repairs and maintenance expenditure by Asset Class/Sub-class</u></b> |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Infrastructure</u></b>                                               |     | <b>7,145</b>    | <b>27,577</b>   | <b>1,052</b>    | <b>4,054</b>         | <b>5,282</b>    | <b>5,282</b>       | <b>3,780</b>                                        | <b>4,482</b>           | <b>4,846</b>           |
| Roads Infrastructure                                                       |     | 314             | –               | –               | 200                  | 300             | 300                | 250                                                 | 264                    | 278                    |
| Roads                                                                      |     | 314             |                 |                 | 200                  | 300             | 300                | 250                                                 | 264                    | 278                    |
| Road Structures                                                            |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Road Furniture                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Infrastructure                                                 |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Drainage Collection                                                        |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Conveyance                                                     |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Attenuation                                                                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Electrical Infrastructure                                                  |     | –               | 189             | 189             | 492                  | 492             | 492                | 100                                                 | 600                    | 750                    |
| Power Plants                                                               |     |                 | 189             | 189             | 492                  | 492             | 492                | 100                                                 | 600                    | 750                    |
| HV Substations                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Switching Station                                                       |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Transmission Conductors                                                 |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Substations                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Switching Stations                                                      |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Networks                                                                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| LV Networks                                                                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Supply Infrastructure                                                |     | 1,693           | 27,260          | 857             | 3,056                | 4,230           | 4,230              | 3,150                                               | 3,323                  | 3,506                  |
| Dams and Weirs                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Boreholes                                                                  |     |                 |                 | 857             |                      |                 |                    |                                                     |                        |                        |
| Reservoirs                                                                 |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Pump Stations                                                              |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Treatment Works                                                      |     |                 |                 |                 | 450                  | 350             | 350                | 350                                                 | 369                    | 390                    |
| Bulk Mains                                                                 |     | 1,693           | 27,260          |                 | 106                  | 100             | 100                | 300                                                 | 317                    | 334                    |
| Distribution                                                               |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Distribution Points                                                        |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| PRV Stations                                                               |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |     |                 |                 |                 | 2,500                | 3,780           | 3,780              | 2,500                                               | 2,638                  | 2,783                  |
| Sanitation Infrastructure                                                  |     | 84              | 129             | 6               | 106                  | 90              | 90                 | 180                                                 | 190                    | 200                    |
| Pump Station                                                               |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Reticulation                                                               |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Waste Water Treatment Works                                                |     | 84              | 129             | 6               | 106                  | 90              | 90                 | 180                                                 | 190                    | 200                    |
| Outfall Sewers                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Toilet Facilities                                                          |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Solid Waste Infrastructure                                                 |     | 5,053           | –               | –               | 200                  | 170             | 170                | 100                                                 | 106                    | 111                    |
| Landfill Sites                                                             |     | 5,053           |                 |                 | 200                  | 170             | 170                | 100                                                 | 106                    | 111                    |
| Waste Transfer Stations                                                    |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |

|                                              |          |            |          |            |            |            |            |            |            |
|----------------------------------------------|----------|------------|----------|------------|------------|------------|------------|------------|------------|
| Waste Processing Facilities                  |          |            |          |            |            |            |            |            |            |
| Waste Drop-off Points                        |          |            |          |            |            |            |            |            |            |
| Waste Separation Facilities                  |          |            |          |            |            |            |            |            |            |
| Electricity Generation Facilities            |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| Rail Infrastructure                          | –        | –          | –        | –          | –          | –          | –          | –          | –          |
| Rail Lines                                   |          |            |          |            |            |            |            |            |            |
| Rail Structures                              |          |            |          |            |            |            |            |            |            |
| Rail Furniture                               |          |            |          |            |            |            |            |            |            |
| Drainage Collection                          |          |            |          |            |            |            |            |            |            |
| Storm water Conveyance                       |          |            |          |            |            |            |            |            |            |
| Attenuation                                  |          |            |          |            |            |            |            |            |            |
| MV Substations                               |          |            |          |            |            |            |            |            |            |
| LV Networks                                  |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| Coastal Infrastructure                       | –        | –          | –        | –          | –          | –          | –          | –          | –          |
| Sand Pumps                                   |          |            |          |            |            |            |            |            |            |
| Piers                                        |          |            |          |            |            |            |            |            |            |
| Revetments                                   |          |            |          |            |            |            |            |            |            |
| Promenades                                   |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| Information and Communication Infrastructure | –        | –          | –        | –          | –          | –          | –          | –          | –          |
| Data Centres                                 |          |            |          |            |            |            |            |            |            |
| Core Layers                                  |          |            |          |            |            |            |            |            |            |
| Distribution Layers                          |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| <b>Community Assets</b>                      | <b>2</b> | <b>918</b> | <b>0</b> | <b>500</b> | <b>485</b> | <b>485</b> | <b>610</b> | <b>485</b> | <b>512</b> |
| Community Facilities                         | 1        | 917        | –        | 350        | 455        | 455        | 410        | 274        | 289        |
| Halls                                        | 1        | 917        |          | 150        | 150        | 150        | 150        | 158        | 167        |
| Centres                                      |          |            |          |            |            |            |            |            |            |
| Crèches                                      |          |            |          |            |            |            |            |            |            |
| Clinics/Care Centres                         |          |            |          |            |            |            |            |            |            |
| Fire/Ambulance Stations                      |          |            |          | 50         | 50         | 50         | 110        | 116        | 122        |
| Testing Stations                             |          |            |          |            |            |            |            |            |            |
| Museums                                      |          |            |          |            |            |            |            |            |            |
| Galleries                                    |          |            |          |            |            |            |            |            |            |
| Theatres                                     |          |            |          |            |            |            |            |            |            |
| Libraries                                    |          |            |          |            |            |            |            |            |            |
| Cemeteries/Crematoria                        |          |            |          |            |            |            |            |            |            |
| Police                                       |          |            |          |            |            |            |            |            |            |
| Parks                                        |          |            |          |            |            |            |            |            |            |
| Public Open Space                            |          |            |          |            |            |            |            |            |            |
| Nature Reserves                              |          |            |          | 150        | 255        | 255        | 150        |            |            |
| Public Ablution Facilities                   |          |            |          |            |            |            |            |            |            |
| Markets                                      |          |            |          |            |            |            |            |            |            |
| Stalls                                       |          |            |          |            |            |            |            |            |            |
| Abattoirs                                    |          |            |          |            |            |            |            |            |            |
| Airports                                     |          |            |          |            |            |            |            |            |            |
| Taxi Ranks/Bus Terminals                     |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| Sport and Recreation Facilities              | 0        | 1          | 0        | 150        | 30         | 30         | 200        | 211        | 223        |
| Indoor Facilities                            |          |            |          |            |            |            |            |            |            |

|                                        |       |       |     |     |     |     |     |     |     |
|----------------------------------------|-------|-------|-----|-----|-----|-----|-----|-----|-----|
| Outdoor Facilities                     | 0     | 1     | 0   | 150 | 30  | 30  | 200 | 211 | 223 |
| Capital Spares                         | 1     | 1     | 1   | 1   | 1   | 1   | 1   | 1   | 1   |
| <b>Heritage assets</b>                 | -     | -     | -   | -   | -   | -   | -   | -   | -   |
| Monuments                              |       |       |     |     |     |     |     |     |     |
| Historic Buildings                     |       |       |     |     |     |     |     |     |     |
| Works of Art                           |       |       |     |     |     |     |     |     |     |
| Conservation Areas                     |       |       |     |     |     |     |     |     |     |
| Other Heritage                         |       |       |     |     |     |     |     |     |     |
| <b>Investment properties</b>           | -     | -     | -   | -   | -   | -   | -   | -   | -   |
| Revenue Generating                     | -     | -     | -   | -   | -   | -   | -   | -   | -   |
| Improved Property                      |       |       |     |     |     |     |     |     |     |
| Unimproved Property                    |       |       |     |     |     |     |     |     |     |
| Non-revenue Generating                 | -     | -     | -   | -   | -   | -   | -   | -   | -   |
| Improved Property                      |       |       |     |     |     |     |     |     |     |
| Unimproved Property                    |       |       |     |     |     |     |     |     |     |
| <b>Other assets</b>                    | 3,310 | 1,731 | 132 | 350 | 472 | 472 | 488 | 515 | 543 |
| Operational Buildings                  | 3,310 | 1,731 | 132 | 350 | 472 | 472 | 488 | 515 | 543 |
| Municipal Offices                      | 3,310 | 1,731 | 132 | 350 | 450 | 450 | 465 | 490 | 517 |
| Pay/Enquiry Points                     |       |       |     |     |     |     |     |     |     |
| Building Plan Offices                  |       |       |     |     |     |     |     |     |     |
| Workshops                              |       |       |     |     |     |     |     |     |     |
| Yards                                  |       |       |     |     | 22  | 22  | 23  | 24  | 26  |
| Stores                                 |       |       |     |     |     |     |     |     |     |
| Laboratories                           |       |       |     |     |     |     |     |     |     |
| Training Centres                       |       |       |     |     |     |     |     |     |     |
| Manufacturing Plant                    |       |       |     |     |     |     |     |     |     |
| Depots                                 |       |       |     |     |     |     |     |     |     |
| Capital Spares                         |       |       |     |     |     |     |     |     |     |
| Housing                                | -     | -     | -   | -   | -   | -   | -   | -   | -   |
| Staff Housing                          |       |       |     |     |     |     |     |     |     |
| Social Housing                         |       |       |     |     |     |     |     |     |     |
| Capital Spares                         |       |       |     |     |     |     |     |     |     |
| <b>Biological or Cultivated Assets</b> | -     | -     | -   | -   | -   | -   | -   | -   | -   |
| Biological or Cultivated Assets        |       |       |     |     |     |     |     |     |     |
| <b>Intangible Assets</b>               | 110   | 207   | -   | -   | -   | -   | -   | -   | -   |
| Servitudes                             |       |       |     |     |     |     |     |     |     |
| Licences and Rights                    | 110   | 207   | -   | -   | -   | -   | -   | -   | -   |
| Water Rights                           |       |       |     |     |     |     |     |     |     |
| Effluent Licenses                      |       |       |     |     |     |     |     |     |     |
| Solid Waste Licenses                   |       |       |     |     |     |     |     |     |     |
| Computer Software and Applications     | 110   | 207   |     |     |     |     |     |     |     |
| Load Settlement Software Applications  |       |       |     |     |     |     |     |     |     |
| Unspecified                            |       |       |     |     |     |     |     |     |     |
| <b>Computer Equipment</b>              | -     | -     | -   | 100 | 100 | 100 | 100 | 106 | 111 |
| Computer Equipment                     |       |       |     | 100 | 100 | 100 | 100 | 106 | 111 |
| <b>Furniture and Office Equipment</b>  | 27    | -     | -   | -   | -   | -   | -   | -   | -   |
| Furniture and Office Equipment         | 27    |       |     |     |     |     |     |     |     |

|                                                        |   |        |        |       |       |       |       |       |       |       |
|--------------------------------------------------------|---|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| <b><u>Machinery and Equipment</u></b>                  |   | -      | -      | -     | -     | -     | -     | -     | -     | -     |
| Machinery and Equipment                                |   |        |        |       |       |       |       |       |       |       |
| <b><u>Transport Assets</u></b>                         |   | 656    | 182    | -     | 200   | 308   | 308   | 1,000 | 1,055 | 1,113 |
| Transport Assets                                       |   | 656    | 182    |       | 200   | 308   | 308   | 1,000 | 1,055 | 1,113 |
| <b><u>Libraries</u></b>                                |   | -      | -      | -     | -     | -     | -     | -     | -     | -     |
| Libraries                                              |   |        |        |       |       |       |       |       |       |       |
| <b><u>Zoo's, Marine and Non-biological Animals</u></b> |   | -      | -      | -     | -     | -     | -     | -     | -     | -     |
| Zoo's, Marine and Non-biological Animals               |   |        |        |       |       |       |       |       |       |       |
| <b>Total Repairs and Maintenance Expenditure</b>       | 1 | 11,248 | 30,615 | 1,185 | 5,204 | 6,647 | 6,647 | 5,978 | 6,643 | 7,125 |
|                                                        |   |        |        |       |       |       |       |       |       |       |
| <b><i>R&amp;M as a % of PPE</i></b>                    |   | 0.9%   | 1.8%   | 0.1%  | 0.3%  | 0.4%  | 0.4%  | 0.0%  | 0.3%  | 0.3%  |
| <b><i>R&amp;M as % Operating Expenditure</i></b>       |   | 12.5%  | 8.6%   | 0.6%  | 3.2%  | 3.8%  | 3.8%  | 0.0%  | 3.6%  | 3.6%  |

For the 2018/19 financial year, R5.9 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of this allocation totalling up to R3.1 million, followed by transport assets, roads and electricity infrastructure, other infrastructure and sanitation. Community assets has been allocated R0.6 million and other assets has been allocated R0.4million of total repairs and maintenance.

## 1.4 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 12 2018/19 Medium-term capital budget per vote**

NC451 Joe Morolong - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

| Vote Description                              | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                               |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Capital Expenditure - Functional</b>       |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Governance and administration</b>          |     | 1,515           | 2,488           | 1,315           | 3,835                | 2,375           | 2,375              | –                 | 2,745                                               | 3,055                  | 3,536                  |
| Executive and council                         |     | 667             | 621             |                 |                      | 23              | 23                 |                   |                                                     |                        |                        |
| Finance and administration                    |     | 848             | 1,866           | 1,315           | 3,835                | 2,352           | 2,352              |                   | 2,745                                               | 3,055                  | 3,536                  |
| Internal audit                                |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Community and public safety</b>            |     | –               | 12,405          | 1,491           | 7,022                | 8,824           | 8,824              | –                 | 3,465                                               | 3,276                  | 3,456                  |
| Community and social services                 |     |                 | 12,405          | 57              | 5,022                | 5,327           | 5,327              |                   | 3,360                                               | 3,165                  | 3,339                  |
| Sport and recreation                          |     |                 |                 | 462             | –                    | –               | –                  |                   |                                                     |                        |                        |
| Public safety                                 |     |                 |                 | 971             | 2,000                | 3,498           | 3,498              |                   | 105                                                 | 111                    | 117                    |
| Housing                                       |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Health                                        |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Economic and environmental services</b>    |     | 29,423          | 40,570          | 18,466          | 15,895               | 15,729          | 15,729             | –                 | 16,808                                              | 16,205                 | 17,115                 |
| Planning and development                      |     | 62              |                 |                 | 200                  | 34              | 34                 |                   | 1,447                                               |                        |                        |
| Road transport                                |     | 29,361          | 40,570          | 18,466          | 15,695               | 15,695          | 15,695             |                   | 15,361                                              | 16,205                 | 17,115                 |
| Environmental protection                      |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Trading services</b>                       |     | 100,208         | 126,309         | 112,221         | 87,512               | 87,462          | 87,462             | –                 | 98,572                                              | 91,399                 | 149,176                |
| Energy sources                                |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Water management                              |     | 80,822          | 109,290         | 97,605          | 70,397               | 70,397          | 70,397             |                   | 85,615                                              | 77,729                 | 134,754                |
| Waste water management                        |     | 19,386          | 17,018          | 14,616          | 17,115               | 17,065          | 17,065             |                   | 12,957                                              | 13,670                 | 14,421                 |
| Waste management                              |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Other</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Capital Expenditure - Functional</b> | 3   | 131,146         | 181,772         | 133,492         | 114,264              | 114,390         | 114,390            | –                 | 121,590                                             | 113,935                | 173,283                |

For 2018/19 an amount of R 121 million has been budgeted for the capital expenses and decreases to R 113.9million in 2019/20. For 2018/19 financial year water receives the highest allocation of R 85.6 million, which represent 70.4 per cent followed by roads at R 15.4 million(12.6 per cent) and then waste water management at R 12.9 million(10.6 per cent).

Total budget for capital expenditure amount to R122 million.

The capital budget for the 2018/19 financial year amounts to R 122 Million with the main focus on the following:

- ❖ Provision of water R 85.6 Million
- ❖ Roads R 15.4 Million

|                                        |                |
|----------------------------------------|----------------|
| ❖ Sanitation                           | R 12.9 Million |
| ❖ Community Halls                      | R 3.0 Million  |
| ❖ Cemeteries                           | R 1.5 Million  |
| ❖ Computers, Offices Equipment & Other | R 1.7 Million  |
| ❖ Municipal Office Fencing             | R 0.6 million  |
| ❖ Building                             | R 0.2 million  |
| ❖ Lawnmower                            | R 0.4 million  |
| ❖ Soft wares                           | R 0.4          |

Capital projects for the 2018/19 financial year are funded from grants receivable from the National Government amounting to R 113.9 Million and own funding to the amount of R 7.7 Million

## 1.5 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

NC451 Joe Morolong - Table A1 Budget Summary

| Description                                                          | 2014/15         | 2015/16          | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----------------|------------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousands</b>                                                   |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Financial Performance</b>                                         |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 12,134          | 10,418           | 24,967          | 13,054               | 29,848          | 29,848             | –                 | 32,396                                              | 34,178                 | 36,058                 |
| Service charges                                                      | 20,543          | 30,937           | 17,589          | 25,734               | 18,373          | 18,373             | –                 | 19,246                                              | 21,336                 | 23,822                 |
| Investment revenue                                                   | 1,155           | 2,706            | 2,042           | –                    | 847             | 847                | –                 | 1,000                                               | 1,055                  | 1,113                  |
| Transfers recognised - operational                                   | 195,240         | 137,779          | 114,115         | 129,439              | 128,689         | 128,689            | –                 | 133,935                                             | 144,083                | 154,410                |
| Other own revenue                                                    | 5,409           | 10,218           | 12,821          | 961                  | 8,550           | 8,550              | –                 | 2,535                                               | 2,595                  | 2,737                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>234,481</b>  | <b>192,057</b>   | <b>171,534</b>  | <b>169,188</b>       | <b>186,308</b>  | <b>186,308</b>     | <b>–</b>          | <b>189,111</b>                                      | <b>203,246</b>         | <b>218,140</b>         |
| Employee costs                                                       | 47,464          | 56,714           | 65,440          | 55,785               | 59,138          | 59,138             | –                 | 72,032                                              | 77,080                 | 82,362                 |
| Remuneration of councillors                                          | 8,531           | 7,818            | 9,253           | 10,423               | 10,423          | 10,423             | –                 | 11,684                                              | 12,537                 | 13,452                 |
| Depreciation & asset impairment                                      | 26,491          | 57,118           | 10,702          | 10,000               | 10,000          | 10,000             | –                 | 18,373                                              | 23,405                 | 26,834                 |
| Finance charges                                                      | 202             | 3,664            | 3,000           | 784                  | 656             | 656                | –                 | 269                                                 | 284                    | 300                    |
| Materials and bulk purchases                                         | –               | 10,095           | 11,018          | 12,340               | 13,340          | 13,340             | –                 | 14,131                                              | 14,909                 | 15,729                 |
| Transfers and grants                                                 | 18,379          | 55,407           | 25,225          | 5,143                | 4,043           | 4,043              | –                 | 4,215                                               | 4,447                  | 4,691                  |
| Other expenditure                                                    | (10,917)        | 163,818          | 81,121          | 66,607               | 77,127          | 77,000             | –                 | 64,220                                              | 67,812                 | 71,537                 |
| <b>Total Expenditure</b>                                             | <b>90,151</b>   | <b>354,633</b>   | <b>205,758</b>  | <b>161,082</b>       | <b>174,725</b>  | <b>174,599</b>     | <b>–</b>          | <b>184,924</b>                                      | <b>200,474</b>         | <b>214,904</b>         |
| <b>Surplus/(Deficit)</b>                                             | <b>144,330</b>  | <b>(162,576)</b> | <b>(34,224)</b> | <b>8,106</b>         | <b>11,582</b>   | <b>11,709</b>      | <b>–</b>          | <b>4,187</b>                                        | <b>2,772</b>           | <b>3,236</b>           |
| Transfers and subsidies - capital (monetary allocated)               | 66,249          | 163,969          | 166,157         | 103,007              | 103,007         | 103,007            | –                 | 116,324                                             | 110,025                | 168,846                |
| Contributions recognised - capital & contributed assets              | –               | –                | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>210,579</b>  | <b>1,393</b>     | <b>131,933</b>  | <b>111,113</b>       | <b>114,589</b>  | <b>114,716</b>     | <b>–</b>          | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |
| Share of surplus/ (deficit) of associate                             | –               | –                | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>210,579</b>  | <b>1,393</b>     | <b>131,933</b>  | <b>111,113</b>       | <b>114,589</b>  | <b>114,716</b>     | <b>–</b>          | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Capital expenditure</b>                                           | <b>131,146</b>  | <b>181,772</b>   | <b>133,492</b>  | <b>114,264</b>       | <b>114,390</b>  | <b>114,390</b>     | <b>–</b>          | <b>121,590</b>                                      | <b>113,935</b>         | <b>173,283</b>         |
| Transfers recognised - capital                                       | 100,292         | 140,166          | 120,719         | 103,492              | 103,492         | 103,492            | –                 | 113,878                                             | 107,916                | 166,933                |
| Public contributions & donations                                     | 29,340          | 26,712           | 10,422          | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Borrowing                                                            | –               | –                | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Internally generated funds                                           | 1,514           | 14,893           | 2,351           | 10,772               | 10,898          | 10,898             | –                 | 7,712                                               | 6,019                  | 6,350                  |
| <b>Total sources of capital funds</b>                                | <b>131,146</b>  | <b>181,772</b>   | <b>133,492</b>  | <b>114,264</b>       | <b>114,390</b>  | <b>114,390</b>     | <b>–</b>          | <b>121,590</b>                                      | <b>113,935</b>         | <b>173,283</b>         |
| <b>Financial position</b>                                            |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Total current assets                                                 | 58,131          | 4,161            | 83,495          | 66,977               | 91,771          | 91,771             | –                 | 98,940                                              | 112,960                | 126,133                |
| Total non current assets                                             | 1,228,269       | 1,689,341        | 1,804,140       | 1,803,955            | 1,803,647       | 1,803,647          | –                 | 1,925,205                                           | 2,039,160              | 2,212,463              |
| Total current liabilities                                            | 40,936          | 85,772           | 104,175         | 784                  | 656             | 656                | –                 | 195                                                 | 195                    | 195                    |
| Total non current liabilities                                        | 3,368           | 19,812           | 6,659           | 1,609                | 1,609           | 1,609              | –                 | 1,040                                               | 845                    | 650                    |
| Community wealth/Equity                                              | 1,242,097       | 1,587,918        | 1,776,801       | 1,868,539            | 1,893,152       | 1,893,152          | –                 | 2,022,909                                           | 2,151,079              | 2,337,750              |
| <b>Cash flows</b>                                                    |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Net cash from (used) operating                                       | 174,898         | 106,443          | 130,480         | 125,416              | 140,922         | 140,922            | –                 | 149,171                                             | 118,143                | 179,237                |
| Net cash from (used) investing                                       | (180,951)       | (127,184)        | (151,637)       | (114,264)            | (114,613)       | (114,613)          | –                 | (121,590)                                           | (113,935)              | (173,283)              |
| Net cash from (used) financing                                       | (638)           | 649              | (327)           | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Cash/cash equivalents at the year end</b>                         | <b>8,525</b>    | <b>(4,661)</b>   | <b>(26,713)</b> | <b>23,529</b>        | <b>(405)</b>    | <b>(405)</b>       | <b>–</b>          | <b>29,922</b>                                       | <b>34,130</b>          | <b>40,084</b>          |
| <b>Cash backing/surplus reconciliation</b>                           |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash and investments available                                       | –               | –                | (26,713)        | 17,877               | 17,877          | 17,877             | –                 | 23,126                                              | 28,419                 | 32,123                 |
| Application of cash and investments                                  | (121,455)       | 83,749           | 52,785          | (42,623)             | (58,138)        | (58,138)           | –                 | (55,450)                                            | (60,362)               | (65,790)               |
| <b>Balance - surplus (shortfall)</b>                                 | <b>121,455</b>  | <b>(83,749)</b>  | <b>(79,499)</b> | <b>60,500</b>        | <b>76,015</b>   | <b>76,015</b>      | <b>–</b>          | <b>78,576</b>                                       | <b>88,781</b>          | <b>97,913</b>          |
| <b>Asset management</b>                                              |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Asset register summary (WDV)                                         | 1,064,408       | 1,561,683        | –               | 1,803,955            | 1,803,647       | 1,803,647          | –                 | 1,925,205                                           | 2,039,160              | 2,212,463              |
| Depreciation                                                         | 26,491          | 57,118           | 10,702          | 10,000               | 10,000          | 10,000             | –                 | 18,373                                              | 23,405                 | 26,834                 |
| Renewal of Existing Assets                                           | –               | –                | –               | –                    | –               | –                  | –                 | 12,500                                              | 12,500                 | 25,000                 |
| Repairs and Maintenance                                              | 11,248          | 30,615           | 1,185           | 5,204                | 6,647           | 6,647              | –                 | 5,978                                               | 6,643                  | 7,125                  |
| <b>Free services</b>                                                 |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cost of Free Basic Services provided                                 | 8               | 8                | 8               | 8                    | 8               | 8                  | 1,123             | 1,123                                               | 1,184                  | 1,250                  |
| Revenue cost of free services provided                               | –               | –                | –               | –                    | 25,905          | 25,905             | 22,888            | 22,888                                              | 24,147                 | 25,475                 |
| <b>Households below minimum service level</b>                        |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Water:                                                               | 2               | 2                | 1               | 1                    | 1               | 1                  | 1                 | 1                                                   | 1                      | 1                      |
| Sanitation/sewerage:                                                 | 3               | 3                | 3               | 3                    | 3               | 3                  | 3                 | 3                                                   | 4                      | 4                      |
| Energy:                                                              | –               | –                | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Refuse:                                                              | 24              | 24               | 24              | 24                   | 24              | 24                 | 24                | 24                                                  | 24                     | 24                     |



## **Table 13 – Table A1 Budget Summary**

### **Explanatory notes: Table A1 Budget Summary**

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard: a. The operating surplus/deficit (after Total Expenditure) is positive over the next three years (MTREF)
- Capital expenditure is balanced by capital funding sources, of which
  - i. Transfers recognized is reflected on the Financial Performance Budget;
  - ii. Internally generated funds are financed from a combination of the current operating surplus.

**Table 14 – Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

**NC451 Joe Morolong - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

| Functional Classification Description             | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                        | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b><u>Revenue - Functional</u></b>                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><i>Governance and administration</i></b>       |     | <b>114,151</b>  | <b>138,284</b>  | <b>157,427</b>  | <b>137,334</b>       | <b>162,915</b>  | <b>162,915</b>     | <b>166,637</b>                                      | <b>180,200</b>         | <b>192,834</b>         |
| Executive and council                             |     | 5,317           | 5,998           | 6,315           | 6,531                | 6,531           | 6,531              | 6,869                                               | 7,215                  | 7,563                  |
| Finance and administration                        |     | 108,834         | 132,286         | 151,112         | 130,803              | 156,384         | 156,384            | 159,768                                             | 172,985                | 185,271                |
| Internal audit                                    |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><i>Community and public safety</i></b>         |     | <b>2,953</b>    | <b>16,527</b>   | <b>12,546</b>   | <b>2,726</b>         | <b>1,910</b>    | <b>1,910</b>       | <b>1,657</b>                                        | <b>1,658</b>           | <b>1,429</b>           |
| Community and social services                     |     | 2,953           | 2,751           | 2,911           | 2,706                | 1,908           | 1,908              | 1,655                                               | 1,656                  | 1,427                  |
| Sport and recreation                              |     | –               | –               | 20              | 20                   | 2               | 2                  | 2                                                   | 2                      | 2                      |
| Public safety                                     |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Housing                                           |     | –               | 13,776          | 9,615           | –                    | –               | –                  | –                                                   | –                      | –                      |
| Health                                            |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><i>Economic and environmental services</i></b> |     | <b>109,676</b>  | <b>63,621</b>   | <b>57,868</b>   | <b>61,245</b>        | <b>61,111</b>   | <b>61,111</b>      | <b>60,366</b>                                       | <b>60,046</b>          | <b>63,368</b>          |
| Planning and development                          |     | 69,106          | 63,621          | 57,868          | 61,155               | 61,111          | 61,111             | 60,346                                              | 60,025                 | 63,346                 |
| Road transport                                    |     | 40,570          | –               | –               | 90                   | –               | –                  | 20                                                  | 21                     | 22                     |
| Environmental protection                          |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><i>Trading services</i></b>                    |     | <b>114,529</b>  | <b>137,773</b>  | <b>116,790</b>  | <b>70,803</b>        | <b>63,386</b>   | <b>63,386</b>      | <b>76,776</b>                                       | <b>71,367</b>          | <b>129,355</b>         |
| Energy sources                                    |     | 4,555           | 5,259           | 4,584           | 6,080                | 3,719           | 3,719              | 4,734                                               | 6,026                  | 7,670                  |
| Water management                                  |     | 107,550         | 129,651         | 109,194         | 61,772               | 56,717          | 56,717             | 68,728                                              | 61,846                 | 117,998                |
| Waste water management                            |     | 1,557           | 1,887           | 1,935           | 1,951                | 1,951           | 1,951              | 2,103                                               | 2,218                  | 2,340                  |
| Waste management                                  |     | 868             | 976             | 1,078           | 1,000                | 1,000           | 1,000              | 1,211                                               | 1,277                  | 1,347                  |
| <b><i>Other</i></b>                               | 4   | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Revenue - Functional</b>                 | 2   | <b>341,309</b>  | <b>356,205</b>  | <b>344,631</b>  | <b>272,108</b>       | <b>289,323</b>  | <b>289,323</b>     | <b>305,435</b>                                      | <b>313,271</b>         | <b>386,986</b>         |
| <b><u>Expenditure - Functional</u></b>            |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><i>Governance and administration</i></b>       |     | <b>6,413</b>    | <b>129,347</b>  | <b>113,883</b>  | <b>74,826</b>        | <b>85,325</b>   | <b>85,325</b>      | <b>99,670</b>                                       | <b>109,587</b>         | <b>118,539</b>         |
| Executive and council                             |     | 17,807          | 17,640          | 19,169          | 20,406               | 21,124          | 21,124             | 23,981                                              | 25,348                 | 27,100                 |
| Finance and administration                        |     | (11,394)        | 111,708         | 94,714          | 54,420               | 64,201          | 64,201             | 75,690                                              | 84,239                 | 91,440                 |
| Internal audit                                    |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><i>Community and public safety</i></b>         |     | <b>8,865</b>    | <b>8,900</b>    | <b>8,360</b>    | <b>8,510</b>         | <b>8,827</b>    | <b>8,827</b>       | <b>8,398</b>                                        | <b>8,879</b>           | <b>9,154</b>           |
| Community and social services                     |     | 8,865           | 8,900           | 8,360           | 8,510                | 8,827           | 8,827              | 8,398                                               | 8,879                  | 9,154                  |
| Sport and recreation                              |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Public safety                                     |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Housing                                           |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Health                                            |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><i>Economic and environmental services</i></b> |     | <b>23,715</b>   | <b>69,010</b>   | <b>35,765</b>   | <b>10,627</b>        | <b>10,017</b>   | <b>10,017</b>      | <b>17,426</b>                                       | <b>18,465</b>          | <b>19,680</b>          |
| Planning and development                          |     | 23,715          | 68,518          | 34,979          | 9,909                | 9,347           | 9,347              | 12,939                                              | 13,659                 | 14,530                 |
| Road transport                                    |     | –               | 492             | 786             | 718                  | 670             | 670                | 4,487                                               | 4,806                  | 5,150                  |
| Environmental protection                          |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><i>Trading services</i></b>                    |     | <b>40,241</b>   | <b>39,018</b>   | <b>41,499</b>   | <b>63,676</b>        | <b>70,542</b>   | <b>70,542</b>      | <b>59,430</b>                                       | <b>63,543</b>          | <b>67,531</b>          |
| Energy sources                                    |     | 6,753           | 6,181           | 6,372           | 10,199               | 10,126          | 10,126             | 11,077                                              | 12,173                 | 12,952                 |
| Water management                                  |     | 33,487          | 31,160          | 32,228          | 51,556               | 57,872          | 57,872             | 44,918                                              | 47,690                 | 50,637                 |
| Waste water management                            |     | –               | 861             | 1,340           | 659                  | 1,086           | 1,086              | 2,147                                               | 2,300                  | 2,465                  |
| Waste management                                  |     | –               | 816             | 1,559           | 1,263                | 1,457           | 1,457              | 1,287                                               | 1,379                  | 1,477                  |
| <b><i>Other</i></b>                               | 4   | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Expenditure - Functional</b>             | 3   | <b>79,233</b>   | <b>246,276</b>  | <b>199,506</b>  | <b>157,639</b>       | <b>174,710</b>  | <b>174,710</b>     | <b>184,924</b>                                      | <b>200,474</b>         | <b>214,904</b>         |
| <b>Surplus/(Deficit) for the year</b>             |     | <b>262,076</b>  | <b>109,929</b>  | <b>145,125</b>  | <b>114,469</b>       | <b>114,613</b>  | <b>114,613</b>     | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |

## **Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

**Table 15 – Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

**NC451 Joe Morolong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

| Vote Description                              | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                    |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Revenue by Vote</b>                        | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Vote 1 - Executive & Council                  |     | 5,317           | 5,998           | 6,315           | 6,531                | 6,531           | 6,531              | 6,869                                               | 7,215                  | 7,563                  |
| Vote 2 - Budget & Treasury Office             |     | 111,156         | 131,987         | 150,839         | 130,479              | 154,784         | 154,784            | 157,673                                             | 170,775                | 182,939                |
| Vote 3 - Corporate Support Services           |     | 212             | 299             | 273             | 325                  | 1,600           | 1,600              | 2,095                                               | 2,210                  | 2,331                  |
| Vote 4 - Community Services                   |     | 5,377           | 19,390          | 15,559          | 5,766                | 4,861           | 4,861              | 4,980                                               | 5,164                  | 5,128                  |
| Vote 5 - Technical Services                   |     | 69,106          | 63,621          | 57,868          | 61,155               | 61,060          | 61,060             | 58,834                                              | 60,036                 | 63,357                 |
| Vote 6 - Electricity Services                 |     | 4,555           | 5,259           | 4,584           | 6,080                | 3,719           | 3,719              | 4,734                                               | 6,026                  | 7,670                  |
| Vote 7 - Water Services                       |     | 107,550         | 129,651         | 109,194         | 61,772               | 56,717          | 56,717             | 68,728                                              | 61,846                 | 117,998                |
| Vote 8 - Development & Town Planning Services |     | –               | –               | –               | –                    | 51              | 51                 | 1,522                                               | –                      | –                      |
| <b>Total Revenue by Vote</b>                  | 2   | <b>303,273</b>  | <b>356,205</b>  | <b>344,631</b>  | <b>272,108</b>       | <b>289,323</b>  | <b>289,323</b>     | <b>305,435</b>                                      | <b>313,271</b>         | <b>386,986</b>         |
| <b>Expenditure by Vote to be appropriated</b> | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Vote 1 - Executive & Council                  |     | 17,185          | 17,640          | 19,169          | 20,406               | 21,124          | 21,124             | 23,981                                              | 25,348                 | 27,100                 |
| Vote 2 - Budget & Treasury Office             |     | 41,299          | 91,970          | 72,566          | 38,926               | 42,514          | 42,514             | 54,934                                              | 62,212                 | 68,029                 |
| Vote 3 - Corporate Support Services           |     | 22,070          | 19,738          | 22,148          | 15,493               | 21,687          | 21,687             | 20,756                                              | 22,028                 | 23,411                 |
| Vote 4 - Community Services                   |     | 10,276          | 11,070          | 11,258          | 10,431               | 11,370          | 11,370             | 12,700                                              | 13,486                 | 14,090                 |
| Vote 5 - Technical Services                   |     | 3,847           | 66,018          | 31,165          | 5,968                | 5,679           | 5,679              | 8,807                                               | 9,290                  | 9,908                  |
| Vote 6 - Electricity Services                 |     | 7,002           | 6,181           | 6,372           | 10,199               | 10,126          | 10,126             | 11,077                                              | 12,173                 | 12,952                 |
| Vote 7 - Water Services                       |     | 54,077          | 31,160          | 32,228          | 51,556               | 57,872          | 57,872             | 44,918                                              | 47,690                 | 50,637                 |
| Vote 8 - Development & Town Planning Services |     | 9,912           | 2,500           | 3,814           | 3,941                | 3,667           | 3,667              | 7,751                                               | 8,248                  | 8,778                  |
| <b>Total Expenditure by Vote</b>              | 2   | <b>165,668</b>  | <b>246,276</b>  | <b>198,721</b>  | <b>156,921</b>       | <b>174,040</b>  | <b>174,040</b>     | <b>184,924</b>                                      | <b>200,474</b>         | <b>214,904</b>         |
| <b>Surplus/(Deficit) for the year</b>         | 2   | <b>137,605</b>  | <b>109,929</b>  | <b>145,911</b>  | <b>115,187</b>       | <b>115,283</b>  | <b>115,283</b>     | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the total budgeted operating and capital expenditure performance in relation to the organisational structure of the municipality. This table also presents the overall surplus of the municipality for each budget year. The operating expenditure is separately presented on table A4 and the capital expenditure presented on table A5

**Table 16 – Table A4 Budgeted Financial Performance (revenue and expenditure)**

**NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)**

| Description<br><br>R thousand                                                                                                                                                                                          | Ref  | 2014/15         | 2015/16          | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|------------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                                                        |      | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Revenue By Source</b>                                                                                                                                                                                               |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                                                                                                                                                                         | 2    | 12,134          | 10,418           | 24,967          | 13,054               | 29,848          | 29,848             | –                 | 32,396                                              | 34,178                 | 36,058                 |
| Service charges - electricity revenue                                                                                                                                                                                  | 2    | 4,547           | 5,251            | 4,576           | 6,072                | 3,711           | 3,711              | –                 | 4,734                                               | 6,026                  | 7,670                  |
| Service charges - water revenue                                                                                                                                                                                        | 2    | 13,571          | 22,823           | 10,001          | 16,712               | 11,712          | 11,712             | –                 | 11,198                                              | 11,814                 | 12,464                 |
| Service charges - sanitation revenue                                                                                                                                                                                   | 2    | 1,557           | 1,887            | 1,935           | 1,951                | 1,951           | 1,951              | –                 | 2,103                                               | 2,218                  | 2,340                  |
| Service charges - refuse revenue                                                                                                                                                                                       | 2    | 868             | 976              | 1,078           | 1,000                | 1,000           | 1,000              | –                 | 1,211                                               | 1,277                  | 1,347                  |
| Service charges - other                                                                                                                                                                                                |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Rental of facilities and equipment                                                                                                                                                                                     |      | 74              | 62               | 171             | 263                  | 102             | 102                |                   | 136                                                 | 144                    | 151                    |
| Interest earned - external investments                                                                                                                                                                                 |      | 1,155           | 2,706            | 2,042           |                      | 847             | 847                |                   | 1,000                                               | 1,055                  | 1,113                  |
| Interest earned - outstanding debtors                                                                                                                                                                                  |      | 4,583           | 7,337            | 11,011          | 55                   | 6,619           | 6,619              |                   |                                                     |                        |                        |
| Dividends received                                                                                                                                                                                                     |      | –               |                  |                 |                      | –               | –                  |                   |                                                     |                        |                        |
| Fines, penalties and forfeits                                                                                                                                                                                          |      | –               |                  |                 |                      | –               | –                  |                   |                                                     |                        |                        |
| Licences and permits                                                                                                                                                                                                   |      | –               |                  |                 |                      | –               | –                  |                   |                                                     |                        |                        |
| Agency services                                                                                                                                                                                                        |      | –               |                  |                 | 90                   | –               | –                  |                   | 10                                                  | 11                     | 11                     |
| Transfers and subsidies                                                                                                                                                                                                |      | 195,240         | 137,779          | 114,115         | 129,439              | 128,689         | 128,689            |                   | 133,935                                             | 144,083                | 154,410                |
| Other revenue                                                                                                                                                                                                          | 2    | 751             | 2,818            | 1,639           | 554                  | 1,828           | 1,828              | –                 | 2,388                                               | 2,441                  | 2,575                  |
| Gains on disposal of PPE                                                                                                                                                                                               |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b>                                                                                                                                                   |      | <b>234,481</b>  | <b>192,057</b>   | <b>171,534</b>  | <b>169,188</b>       | <b>186,308</b>  | <b>186,308</b>     | <b>–</b>          | <b>189,111</b>                                      | <b>203,246</b>         | <b>218,140</b>         |
| <b>Expenditure By Type</b>                                                                                                                                                                                             |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs                                                                                                                                                                                                 | 2    | 47,464          | 56,714           | 65,440          | 55,785               | 59,138          | 59,138             | –                 | 72,032                                              | 77,080                 | 82,362                 |
| Remuneration of councillors                                                                                                                                                                                            |      | 8,531           | 7,818            | 9,253           | 10,423               | 10,423          | 10,423             |                   | 11,684                                              | 12,537                 | 13,452                 |
| Debt impairment                                                                                                                                                                                                        | 3    | (59,839)        | 79,249           |                 | 3,092                | 3,092           | 3,092              |                   | 4,752                                               | 5,014                  | 5,289                  |
| Depreciation & asset impairment                                                                                                                                                                                        | 2    | 26,491          | 57,118           | 10,702          | 10,000               | 10,000          | 10,000             | –                 | 18,373                                              | 23,405                 | 26,834                 |
| Finance charges                                                                                                                                                                                                        |      | 202             | 3,664            | 3,000           | 784                  | 656             | 656                |                   | 269                                                 | 284                    | 300                    |
| Bulk purchases                                                                                                                                                                                                         | 2    | –               | 10,095           | 11,018          | 12,340               | 13,340          | 13,340             | –                 | 14,131                                              | 14,909                 | 15,729                 |
| Other materials                                                                                                                                                                                                        | 8    |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Contracted services                                                                                                                                                                                                    |      | 466             | 10,148           | 36,651          | 21,167               | 25,048          | 25,048             | –                 | 9,500                                               | 10,023                 | 10,574                 |
| Transfers and subsidies                                                                                                                                                                                                |      | 18,379          | 55,407           | 25,225          | 5,143                | 4,043           | 4,043              | –                 | 4,215                                               | 4,447                  | 4,691                  |
| Other expenditure                                                                                                                                                                                                      | 4, 5 | 48,457          | 74,421           | 44,470          | 42,348               | 48,987          | 48,861             | –                 | 49,968                                              | 52,776                 | 55,674                 |
| Loss on disposal of PPE                                                                                                                                                                                                |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Expenditure</b>                                                                                                                                                                                               |      | <b>90,151</b>   | <b>354,633</b>   | <b>205,758</b>  | <b>161,082</b>       | <b>174,725</b>  | <b>174,599</b>     | <b>–</b>          | <b>184,924</b>                                      | <b>200,474</b>         | <b>214,904</b>         |
| <b>Surplus/(Deficit)</b>                                                                                                                                                                                               |      | <b>144,330</b>  | <b>(162,576)</b> | <b>(34,224)</b> | <b>8,106</b>         | <b>11,582</b>   | <b>11,709</b>      | <b>–</b>          | <b>4,187</b>                                        | <b>2,772</b>           | <b>3,236</b>           |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)                                                                                                                          |      | 66,249          | 163,969          | 166,157         | 103,007              | 103,007         | 103,007            |                   | 116,324                                             | 110,025                | 168,846                |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 6    | –               | –                | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Transfers and subsidies - capital (in-kind - all)                                                                                                                                                                      |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>                                                                                                                                                   |      | <b>210,579</b>  | <b>1,393</b>     | <b>131,933</b>  | <b>111,113</b>       | <b>114,589</b>  | <b>114,716</b>     | <b>–</b>          | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |
| Taxation                                                                                                                                                                                                               |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Surplus/(Deficit) after taxation</b>                                                                                                                                                                                |      | <b>210,579</b>  | <b>1,393</b>     | <b>131,933</b>  | <b>111,113</b>       | <b>114,589</b>  | <b>114,716</b>     | <b>–</b>          | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |
| Attributable to minorities                                                                                                                                                                                             |      |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Surplus/(Deficit) attributable to municipality</b>                                                                                                                                                                  |      | <b>210,579</b>  | <b>1,393</b>     | <b>131,933</b>  | <b>111,113</b>       | <b>114,589</b>  | <b>114,716</b>     | <b>–</b>          | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |
| Share of surplus/ (deficit) of associate                                                                                                                                                                               | 7    |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Surplus/(Deficit) for the year</b>                                                                                                                                                                                  |      | <b>210,579</b>  | <b>1,393</b>     | <b>131,933</b>  | <b>111,113</b>       | <b>114,589</b>  | <b>114,716</b>     | <b>–</b>          | <b>120,511</b>                                      | <b>112,797</b>         | <b>172,082</b>         |

### **Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Total operating revenue is R 189. Million for 2018/19 and increase to R 203 and then increases to R 218 Million by 2019/20 and 2020/21 respectively.

Revenue to be generated from property rates will be R 32 Million in the 2018/19 and increase to R 34 million by 2019/20 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes R 19 million in 2018/19 and increases to R 21.3 million in 2019/20. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operating income includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing.

The total operational expenditure amounts to R 184 million for 2018/19 and increase to R200.4 million by 2019/20.

**Table 17– Table A5 Budgeted Capital Expenditure by vote, standard classification and funding source**

**NC451 Joe Morolong - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

| Vote Description                                  | Ref      | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                                 | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Capital expenditure - Vote</b>                 | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>  |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Vote 1 - Executive & Council                      |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Vote 2 - Budget & Treasury Office                 |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Vote 3 - Corporate Support Services               |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Vote 4 - Community Services                       |          | 19,386          | 17,018          | 14,616          | 17,065               | 17,065          | 17,065             | –                 | 15,361                                              | 16,205                 | 17,115                 |
| Vote 5 - Technical Services                       |          | 29,361          | 40,570          | 18,466          | 15,695               | 15,695          | 15,695             | –                 | 12,907                                              | 13,617                 | 14,366                 |
| Vote 6 - Electricity Services                     |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Vote 7 - Water Services                           |          | 80,822          | 109,290         | 97,410          | 70,247               | 70,247          | 70,247             | –                 | 85,115                                              | 77,202                 | 134,198                |
| Vote 8 - Development & Town Planning Services     |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Capital multi-year expenditure sub-total</b>   | <b>7</b> | <b>129,569</b>  | <b>166,879</b>  | <b>130,492</b>  | <b>103,007</b>       | <b>103,007</b>  | <b>103,007</b>     | <b>–</b>          | <b>113,383</b>                                      | <b>107,024</b>         | <b>165,679</b>         |
| <b>Single-year expenditure to be appropriated</b> | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Vote 1 - Executive & Council                      |          | 667             | 621             | –               | –                    | 23              | 23                 | –                 | –                                                   | –                      | –                      |
| Vote 2 - Budget & Treasury Office                 |          | 521             | (15)            | 188             | 485                  | 485             | 485                | –                 | 495                                                 | 893                    | 1,254                  |
| Vote 3 - Corporate Support Services               |          | 327             | 1,881           | 1,128           | 3,350                | 1,867           | 1,867              | –                 | 2,250                                               | 2,163                  | 2,282                  |
| Vote 4 - Community Services                       |          | –               | 12,405          | 1,491           | 7,072                | 8,824           | 8,824              | –                 | 3,515                                               | 3,329                  | 3,512                  |
| Vote 5 - Technical Services                       |          | –               | –               | –               | 200                  | 34              | 34                 | –                 | –                                                   | –                      | –                      |
| Vote 6 - Electricity Services                     |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Vote 7 - Water Services                           |          | –               | –               | 195             | 150                  | 150             | 150                | –                 | 500                                                 | 528                    | 557                    |
| Vote 8 - Development & Town Planning Services     |          | –               | –               | –               | –                    | –               | –                  | –                 | 1,447                                               | –                      | –                      |
| <b>Capital single-year expenditure sub-total</b>  |          | <b>1,515</b>    | <b>14,893</b>   | <b>3,001</b>    | <b>11,257</b>        | <b>11,383</b>   | <b>11,383</b>      | <b>–</b>          | <b>8,207</b>                                        | <b>6,912</b>           | <b>7,604</b>           |
| <b>Total Capital Expenditure - Vote</b>           |          | <b>131,084</b>  | <b>181,772</b>  | <b>133,492</b>  | <b>114,264</b>       | <b>114,390</b>  | <b>114,390</b>     | <b>–</b>          | <b>121,590</b>                                      | <b>113,935</b>         | <b>173,283</b>         |
| <b>Capital Expenditure - Functional</b>           |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Governance and administration</b>              |          | <b>1,515</b>    | <b>2,488</b>    | <b>1,315</b>    | <b>3,835</b>         | <b>2,375</b>    | <b>2,375</b>       | <b>–</b>          | <b>2,745</b>                                        | <b>3,055</b>           | <b>3,536</b>           |
| Executive and council                             |          | 667             | 621             | –               | –                    | 23              | 23                 | –                 | –                                                   | –                      | –                      |
| Finance and administration                        |          | 848             | 1,866           | 1,315           | 3,835                | 2,352           | 2,352              | –                 | 2,745                                               | 3,055                  | 3,536                  |
| Internal audit                                    |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Community and public safety</b>                |          | <b>–</b>        | <b>12,405</b>   | <b>1,491</b>    | <b>7,022</b>         | <b>8,824</b>    | <b>8,824</b>       | <b>–</b>          | <b>3,465</b>                                        | <b>3,276</b>           | <b>3,456</b>           |
| Community and social services                     |          | –               | 12,405          | 57              | 5,022                | 5,327           | 5,327              | –                 | 3,360                                               | 3,165                  | 3,339                  |
| Sport and recreation                              |          | –               | –               | 462             | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Public safety                                     |          | –               | –               | 971             | 2,000                | 3,498           | 3,498              | –                 | 105                                                 | 111                    | 117                    |
| Housing                                           |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Health                                            |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Economic and environmental services</b>        |          | <b>29,423</b>   | <b>40,570</b>   | <b>18,466</b>   | <b>15,895</b>        | <b>15,729</b>   | <b>15,729</b>      | <b>–</b>          | <b>16,808</b>                                       | <b>16,205</b>          | <b>17,115</b>          |
| Planning and development                          |          | 62              | –               | –               | 200                  | 34              | 34                 | –                 | 1,447                                               | –                      | –                      |
| Road transport                                    |          | 29,361          | 40,570          | 18,466          | 15,695               | 15,695          | 15,695             | –                 | 15,361                                              | 16,205                 | 17,115                 |
| Environmental protection                          |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Trading services</b>                           |          | <b>100,208</b>  | <b>126,309</b>  | <b>112,221</b>  | <b>87,512</b>        | <b>87,462</b>   | <b>87,462</b>      | <b>–</b>          | <b>98,572</b>                                       | <b>91,399</b>          | <b>149,176</b>         |
| Energy sources                                    |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Water management                                  |          | 80,822          | 109,290         | 97,605          | 70,397               | 70,397          | 70,397             | –                 | 85,615                                              | 77,729                 | 134,754                |
| Waste water management                            |          | 19,386          | 17,018          | 14,616          | 17,115               | 17,065          | 17,065             | –                 | 12,957                                              | 13,670                 | 14,421                 |
| Waste management                                  |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Other</b>                                      |          | <b>–</b>        | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>          | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| <b>Total Capital Expenditure - Functional</b>     | <b>3</b> | <b>131,146</b>  | <b>181,772</b>  | <b>133,492</b>  | <b>114,264</b>       | <b>114,390</b>  | <b>114,390</b>     | <b>–</b>          | <b>121,590</b>                                      | <b>113,935</b>         | <b>173,283</b>         |
| <b>Funded by:</b>                                 |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| National Government                               |          | 100,292         | 140,166         | 120,257         | 103,492              | 103,492         | 103,492            | –                 | 113,868                                             | 107,916                | 166,933                |
| Provincial Government                             |          | –               | –               | 462             | –                    | –               | –                  | –                 | 10                                                  | –                      | –                      |
| District Municipality                             |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Other transfers and grants                        |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Transfers recognised - capital</b>             | <b>4</b> | <b>100,292</b>  | <b>140,166</b>  | <b>120,719</b>  | <b>103,492</b>       | <b>103,492</b>  | <b>103,492</b>     | <b>–</b>          | <b>113,878</b>                                      | <b>107,916</b>         | <b>166,933</b>         |
| <b>Public contributions &amp; donations</b>       | <b>5</b> | <b>29,340</b>   | <b>26,712</b>   | <b>10,422</b>   | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>          | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| <b>Borrowing</b>                                  | <b>6</b> | <b>–</b>        | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>          | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| <b>Internally generated funds</b>                 |          | <b>1,514</b>    | <b>14,893</b>   | <b>2,351</b>    | <b>10,772</b>        | <b>10,898</b>   | <b>10,898</b>      | <b>–</b>          | <b>7,712</b>                                        | <b>6,019</b>           | <b>6,350</b>           |
| <b>Total Capital Funding</b>                      | <b>7</b> | <b>131,146</b>  | <b>181,772</b>  | <b>133,492</b>  | <b>114,264</b>       | <b>114,390</b>  | <b>114,390</b>     | <b>–</b>          | <b>121,590</b>                                      | <b>113,935</b>         | <b>173,283</b>         |

### **Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Capital expenditure has been appropriated at R 121 million for the 2018/19 financial year and decreases over the MTREF to R 113.9 million and R 173.3 million respectively for the two outer years.

Unlike multi-year capital appropriations, all of our capital projects are expected to be completed with a single year 2018/19. Included in our single-year appropriations is an expenditure that will be incurred in the 2018/19 budget year such as the procurement of computers and office furniture. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from National Treasury capital transfers and internally generated funds from current year surpluses.



**Table 18- Table A6 Budget Financial position**

**NC451 Joe Morolong - Table A6 Budgeted Financial Position**

| Description                              | Ref | 2014/15          | 2015/16          | 2016/17          | Current Year 2017/18 |                  |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                               |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>ASSETS</b>                            |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Current assets</b>                    |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Cash                                     |     |                  |                  | 2,340            | 17,877               | 17,877           | 17,877             |                   | 23,126                                              | 28,419                 | 32,123                 |
| Call investment deposits                 | 1   | –                | –                | –                | –                    | –                | –                  | –                 | –                                                   | –                      | –                      |
| Consumer debtors                         | 1   | 58,131           | 4,161            | 44,738           | 44,979               | 44,738           | 44,738             | –                 | 44,159                                              | 55,261                 | 67,237                 |
| Other debtors                            |     |                  |                  | 12,848           |                      | 23,755           | 23,755             |                   | 23,755                                              | 18,742                 | 13,452                 |
| Current portion of long-term receivables |     |                  |                  | 22,268           |                      | –                | –                  |                   |                                                     |                        |                        |
| Inventory                                | 2   |                  |                  | 1,301            | 4,120                | 5,400            | 5,400              |                   | 7,900                                               | 10,538                 | 13,320                 |
| <b>Total current assets</b>              |     | <b>58,131</b>    | <b>4,161</b>     | <b>83,495</b>    | <b>66,977</b>        | <b>91,771</b>    | <b>91,771</b>      | <b>–</b>          | <b>98,940</b>                                       | <b>112,960</b>         | <b>126,133</b>         |
| <b>Non current assets</b>                |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Long-term receivables                    |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Investments                              |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Investment property                      |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Investment in Associate                  |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Property, plant and equipment            | 3   | 1,228,269        | 1,689,341        | 1,803,725        | 1,803,131            | 1,803,257        | 1,803,257          | –                 | 1,924,847                                           | 2,038,782              | 2,212,065              |
| Agricultural                             |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Biological                               |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Intangible                               |     |                  |                  | 414              | 824                  | 389              | 389                |                   | 358                                                 | 377                    | 398                    |
| Other non-current assets                 |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Total non current assets</b>          |     | <b>1,228,269</b> | <b>1,689,341</b> | <b>1,804,140</b> | <b>1,803,955</b>     | <b>1,803,647</b> | <b>1,803,647</b>   | <b>–</b>          | <b>1,925,205</b>                                    | <b>2,039,160</b>       | <b>2,212,463</b>       |
| <b>TOTAL ASSETS</b>                      |     | <b>1,286,401</b> | <b>1,693,502</b> | <b>1,887,635</b> | <b>1,870,932</b>     | <b>1,895,417</b> | <b>1,895,417</b>   | <b>–</b>          | <b>2,024,144</b>                                    | <b>2,152,119</b>       | <b>2,338,596</b>       |
| <b>LIABILITIES</b>                       |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Current liabilities</b>               |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Bank overdraft                           | 1   |                  |                  | 29,053           |                      |                  |                    |                   |                                                     |                        |                        |
| Borrowing                                | 4   | 785              | 784              | 372              | 784                  | 656              | 656                | –                 | 195                                                 | 195                    | 195                    |
| Consumer deposits                        |     |                  |                  | 69               |                      |                  |                    |                   |                                                     |                        |                        |
| Trade and other payables                 | 4   | 40,151           | 84,988           | 59,269           | –                    | –                | –                  | –                 | –                                                   | –                      | –                      |
| Provisions                               |     |                  |                  | 15,412           |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Total current liabilities</b>         |     | <b>40,936</b>    | <b>85,772</b>    | <b>104,175</b>   | <b>784</b>           | <b>656</b>       | <b>656</b>         | <b>–</b>          | <b>195</b>                                          | <b>195</b>             | <b>195</b>             |
| <b>Non current liabilities</b>           |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Borrowing                                |     | 1,803            | 16,293           | 1,296            | 1,609                | 1,609            | 1,609              | –                 | 1,040                                               | 845                    | 650                    |
| Provisions                               |     | 1,565            | 3,519            | 5,362            | –                    | –                | –                  | –                 | –                                                   | –                      | –                      |
| <b>Total non current liabilities</b>     |     | <b>3,368</b>     | <b>19,812</b>    | <b>6,659</b>     | <b>1,609</b>         | <b>1,609</b>     | <b>1,609</b>       | <b>–</b>          | <b>1,040</b>                                        | <b>845</b>             | <b>650</b>             |
| <b>TOTAL LIABILITIES</b>                 |     | <b>44,304</b>    | <b>105,584</b>   | <b>110,834</b>   | <b>2,393</b>         | <b>2,265</b>     | <b>2,265</b>       | <b>–</b>          | <b>1,235</b>                                        | <b>1,040</b>           | <b>845</b>             |
| <b>NET ASSETS</b>                        | 5   | <b>1,242,097</b> | <b>1,587,918</b> | <b>1,776,801</b> | <b>1,868,539</b>     | <b>1,893,152</b> | <b>1,893,152</b>   | <b>–</b>          | <b>2,022,909</b>                                    | <b>2,151,079</b>       | <b>2,337,750</b>       |
| <b>COMMUNITY WEALTH/EQUITY</b>           |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Accumulated Surplus/(Deficit)            |     | 1,242,097        | 1,587,918        | 1,776,801        | 1,868,539            | 1,893,152        | 1,893,152          |                   | 2,022,909                                           | 2,151,079              | 2,337,750              |
| Reserves                                 | 4   | –                | –                | –                | –                    | –                | –                  | –                 | –                                                   | –                      | –                      |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | 5   | <b>1,242,097</b> | <b>1,587,918</b> | <b>1,776,801</b> | <b>1,868,539</b>     | <b>1,893,152</b> | <b>1,893,152</b>   | <b>–</b>          | <b>2,022,909</b>                                    | <b>2,151,079</b>       | <b>2,337,750</b>       |

## **Explanatory notes to Table A6 - Budgeted Financial Position**

- Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities equals to Equity. In a municipal environment, the equity is equivalent to the Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- The justification of Community Wealth/Equity is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cashflow position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 19- Table A7 Budgeted Cash Flow**

**NC451 Joe Morolong - Table A7 Budgeted Cash Flows**

| Description                                       | Ref | 2014/15          | 2015/16          | 2016/17          | Current Year 2017/18 |                  |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Property rates                                    |     | 8,989            |                  |                  | 12,401               | 25,371           | 25,371             |                   | 25,917                                              | 27,342                 | 28,846                 |
| Service charges                                   |     | 11,545           | 14,869           | 6,235            | 24,456               | 20,984           | 20,984             |                   | 16,295                                              | 18,016                 | 20,057                 |
| Other revenue                                     |     | 85,346           | 482              |                  | 811                  | 1,833            | 1,833              |                   | 2,022                                               | 2,039                  | 2,151                  |
| Government - operating                            | 1   | 96,758           | 118,229          | 118,680          | 127,801              | 127,051          | 127,051            |                   | 133,935                                             | 115,266                | 123,528                |
| Government - capital                              | 1   | 116,771          | 118,420          | 167,613          | 103,007              | 103,007          | 103,007            |                   | 116,324                                             | 110,025                | 168,846                |
| Interest                                          |     | 1,155            | 2,706            | 2,042            | 55                   | 6,431            | 6,431              |                   | 1,000                                               | 844                    | 890                    |
| Dividends                                         |     |                  |                  |                  |                      |                  |                    |                   | -                                                   | -                      | -                      |
| <b>Payments</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Suppliers and employees                           |     | (127,083)        | (91,608)         | (135,866)        | (137,187)            | (139,057)        | (139,057)          |                   | (141,837)                                           | (150,659)              | (160,091)              |
| Finance charges                                   |     | (202)            | (3,664)          | (3,000)          | (784)                | (656)            | (656)              |                   | (269)                                               | (284)                  | (300)                  |
| Transfers and Grants                              | 1   | (18,379)         | (52,992)         | (25,225)         | (5,143)              | (4,043)          | (4,043)            |                   | (4,215)                                             | (4,447)                | (4,691)                |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     | <b>174,898</b>   | <b>106,443</b>   | <b>130,480</b>   | <b>125,416</b>       | <b>140,922</b>   | <b>140,922</b>     | <b>-</b>          | <b>149,171</b>                                      | <b>118,143</b>         | <b>179,237</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Proceeds on disposal of PPE                       |     |                  |                  |                  |                      |                  |                    |                   | -                                                   | -                      | -                      |
| Decrease (Increase) in non-current debtors        |     |                  |                  |                  |                      |                  |                    |                   | -                                                   | -                      | -                      |
| Decrease (increase) other non-current receivables |     |                  |                  |                  |                      |                  |                    |                   | -                                                   | -                      | -                      |
| Decrease (increase) in non-current investments    |     | 362              |                  | (18,145)         |                      |                  |                    |                   | -                                                   | -                      | -                      |
| <b>Payments</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Capital assets                                    |     | (181,312)        | (127,184)        | (133,492)        | (114,264)            | (114,613)        | (114,613)          |                   | (121,590)                                           | (113,935)              | (173,283)              |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     | <b>(180,951)</b> | <b>(127,184)</b> | <b>(151,637)</b> | <b>(114,264)</b>     | <b>(114,613)</b> | <b>(114,613)</b>   | <b>-</b>          | <b>(121,590)</b>                                    | <b>(113,935)</b>       | <b>(173,283)</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Short term loans                                  |     |                  |                  |                  |                      |                  |                    |                   | -                                                   | -                      | -                      |
| Borrowing long term/refinancing                   |     |                  |                  |                  |                      |                  |                    |                   | -                                                   | -                      | -                      |
| Increase (decrease) in consumer deposits          |     |                  |                  |                  |                      |                  |                    |                   | -                                                   | -                      | -                      |
| <b>Payments</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Repayment of borrowing                            |     | (638)            | 649              | (327)            |                      |                  |                    |                   | -                                                   | -                      | -                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  |     | <b>(638)</b>     | <b>649</b>       | <b>(327)</b>     | <b>-</b>             | <b>-</b>         | <b>-</b>           | <b>-</b>          | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      |     | <b>(6,691)</b>   | <b>(20,092)</b>  | <b>(21,485)</b>  | <b>11,152</b>        | <b>26,308</b>    | <b>26,308</b>      | <b>-</b>          | <b>27,582</b>                                       | <b>4,208</b>           | <b>5,954</b>           |
| Cash/cash equivalents at the year begin:          | 2   | 15,216           | 15,431           | (5,228)          | 12,377               | (26,713)         | (26,713)           |                   | 2,340                                               | 29,922                 | 34,130                 |
| Cash/cash equivalents at the year end:            | 2   | 8,525            | (4,661)          | (26,713)         | 23,529               | (405)            | (405)              | -                 | 29,922                                              | 34,130                 | 40,084                 |

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

**Table 20- Table A8 Budgeted Cash Flow Cash Backed Reserves/Accumulated  
Surplus Reconciliation**

**NC451 Joe Morolong - Table A8 Consolidated Cash backed reserves/accumulated  
surplus reconciliation**

| Description<br><br>R thousand                     | Ref | 2013/14         | 2014/15         | 2015/16         | Current Year 2016/17 |                 |                    |                   | 2017/18 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18                                 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| <b><u>Cash and investments available</u></b>      |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash/cash equivalents at the year end             | 1   | -               | -               | -               | -                    | -               | -                  | -                 | 23,324                                              | 35,092                 | 47,477                 |
| Other current investments > 90 days               |     | -               | -               | -               | -                    | -               | -                  | -                 | (5,446)                                             | (35,092)               | (47,477)               |
| Non current assets - Investments                  | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Cash and investments available:</b>            |     | -               | -               | -               | -                    | -               | -                  | -                 | 17,877                                              | -                      | -                      |
| <b><u>Application of cash and investments</u></b> |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Unspent conditional transfers                     |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Unspent borrowing                                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Statutory requirements                            | 2   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Other working capital requirements                | 3   | -               | -               | -               | -                    | -               | -                  | -                 | (39,781)                                            | (43,217)               | (46,967)               |
| Other provisions                                  |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Long term investments committed                   | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Reserves to be backed by cash/investments         | 5   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Application of cash and investments:</b> |     | -               | -               | -               | -                    | -               | -                  | -                 | (39,781)                                            | (43,217)               | (46,967)               |
| <b>Surplus(shortfall)</b>                         |     | -               | -               | -               | -                    | -               | -                  | -                 | 57,658                                              | 43,217                 | 46,967                 |

| Description<br><br>R thousand                     | Ref | 2013/14         | 2014/15         | 2015/16         | Current Year 2016/17 |                 |                    |                   | 2017/18 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18                                 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| <b><u>Cash and investments available</u></b>      |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash/cash equivalents at the year end             | 1   | 15,065          | 8,164           | (4,661)         | 21,982               | 26,713          | 26,713             | -                 | -                                                   | -                      | -                      |
| Other current investments > 90 days               |     | (3,461)         | (24,286)        | 968             | (21,722)             | (26,453)        | (26,453)           | -                 | -                                                   | -                      | -                      |
| Non current assets - Investments                  | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Cash and investments available:</b>            |     | 11,604          | (16,123)        | (3,693)         | 260                  | 260             | 260                | -                 | -                                                   | -                      | -                      |
| <b><u>Application of cash and investments</u></b> |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Unspent conditional transfers                     |     | -               | -               | 1,134           | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Unspent borrowing                                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Statutory requirements                            | 2   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Other working capital requirements                | 3   | (18,912)        | (134,850)       | 78,861          | 7,609                | 8,000           | 8,000              | -                 | -                                                   | -                      | -                      |
| Other provisions                                  |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Long term investments committed                   | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Reserves to be backed by cash/investments         | 5   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Application of cash and investments:</b> |     | (18,912)        | (134,850)       | 79,995          | 7,609                | 8,000           | 8,000              | -                 | -                                                   | -                      | -                      |
| <b>Surplus(shortfall)</b>                         |     | 30,516          | 118,727         | (83,687)        | (7,349)              | (7,740)         | (7,740)            | -                 | -                                                   | -                      | -                      |

## **Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

**Table 21- Table A9 Asset Management**

**NC451 Joe Morolong - Table A9 Asset Management**

| Description                                     | Ref         | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------|-------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                 |             | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                               |             |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>CAPITAL EXPENDITURE</b>                      |             |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Total New Assets</u></b>                  | 1           | 131,084         | 181,772         | 133,492         | 114,264              | 114,390         | 114,390            | 109,090                                             | 101,435                | 148,283                |
| Roads Infrastructure                            |             | 29,361          | 40,570          | 18,466          | 15,695               | 15,695          | 15,695             | 12,907                                              | 13,617                 | 14,366                 |
| Storm water Infrastructure                      |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Electrical Infrastructure                       |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Water Supply Infrastructure                     |             | 80,822          | 109,290         | 90,826          | 69,781               | 70,016          | 70,016             | 73,115                                              | 65,229                 | 109,754                |
| Sanitation Infrastructure                       |             | 19,386          | 17,018          | 14,616          | 17,065               | 17,065          | 17,065             | 15,361                                              | 16,205                 | 17,115                 |
| Solid Waste Infrastructure                      |             | -               | -               | -               | 50                   | -               | -                  | 50                                                  | 53                     | 56                     |
| Rail Infrastructure                             |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Coastal Infrastructure                          |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Information and Communication Infrastructure    |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Infrastructure</b>                           |             | <b>129,569</b>  | <b>166,879</b>  | <b>123,907</b>  | <b>102,592</b>       | <b>102,777</b>  | <b>102,777</b>     | <b>101,433</b>                                      | <b>95,104</b>          | <b>141,291</b>         |
| Community Facilities                            | 617         | -               | 1,491           | 7,072           | 5,000                | 5,300           | 5,300              | 4,447                                               | 3,165                  | 3,339                  |
| Sport and Recreation Facilities                 | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Community Assets</b>                         | <b>617</b>  | <b>1,491</b>    | <b>7,072</b>    | <b>7,072</b>    | <b>5,000</b>         | <b>5,300</b>    | <b>5,300</b>       | <b>4,447</b>                                        | <b>3,165</b>           | <b>3,339</b>           |
| <b>Heritage Assets</b>                          |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Revenue Generating                              | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Non-revenue Generating                          | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Investment properties</b>                    |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Operational Buildings                           | -           | -               | 12,185          | 2,099           | 3,691                | 4,117           | 4,117              | 800                                                 | 633                    | 668                    |
| Housing                                         | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Other Assets</b>                             |             | -               | <b>12,185</b>   | <b>2,099</b>    | <b>3,691</b>         | <b>4,117</b>    | <b>4,117</b>       | <b>800</b>                                          | <b>633</b>             | <b>668</b>             |
| <b>Biological or Cultivated Assets</b>          |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Servitudes                                      | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Licences and Rights                             | 246         | -               | -               | 414             | 824                  | 389             | 389                | 358                                                 | 377                    | 398                    |
| <b>Intangible Assets</b>                        | <b>246</b>  | <b>-</b>        | <b>414</b>      | <b>414</b>      | <b>824</b>           | <b>389</b>      | <b>389</b>         | <b>358</b>                                          | <b>377</b>             | <b>398</b>             |
| <b>Computer Equipment</b>                       | <b>(15)</b> | <b>156</b>      | <b>-</b>        | <b>-</b>        | <b>490</b>           | <b>715</b>      | <b>715</b>         | <b>1,137</b>                                        | <b>1,570</b>           | <b>1,969</b>           |
| <b>Furniture and Office Equipment</b>           | <b>-</b>    | <b>440</b>      | <b>-</b>        | <b>-</b>        | <b>405</b>           | <b>580</b>      | <b>580</b>         | <b>515</b>                                          | <b>533</b>             | <b>562</b>             |
| <b>Machinery and Equipment</b>                  | <b>-</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>1,062</b>         | <b>512</b>      | <b>512</b>         | <b>50</b>                                           | <b>53</b>              | <b>56</b>              |
| <b>Transport Assets</b>                         | <b>667</b>  | <b>621</b>      | <b>-</b>        | <b>-</b>        | <b>200</b>           | <b>-</b>        | <b>-</b>           | <b>350</b>                                          | <b>-</b>               | <b>-</b>               |
| <b>Libraries</b>                                | <b>-</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>Zoo's, Marine and Non-biological Animals</b> | <b>-</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b><u>Total Renewal of Existing Assets</u></b>  | 2           | -               | -               | -               | -                    | -               | -                  | 12,500                                              | 12,500                 | 25,000                 |
| Roads Infrastructure                            |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Storm water Infrastructure                      |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Electrical Infrastructure                       |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Water Supply Infrastructure                     |             | -               | -               | -               | -                    | -               | -                  | 12,500                                              | 12,500                 | 25,000                 |
| Sanitation Infrastructure                       |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Solid Waste Infrastructure                      |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Rail Infrastructure                             |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Coastal Infrastructure                          |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Information and Communication Infrastructure    |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Infrastructure</b>                           |             | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>12,500</b>                                       | <b>12,500</b>          | <b>25,000</b>          |
| Community Facilities                            | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Sport and Recreation Facilities                 | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Community Assets</b>                         |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Heritage Assets</b>                          |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Revenue Generating                              | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Non-revenue Generating                          | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Investment properties</b>                    |             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Operational Buildings                           | -           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |

|                                              |   |         |         |         |         |         |         |         |         |         |
|----------------------------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Housing                                      | 6 | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Other Assets                                 |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Biological or Cultivated Assets              |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Servitudes                                   |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Licences and Rights                          |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Intangible Assets                            |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Computer Equipment                           |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Furniture and Office Equipment               |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Machinery and Equipment                      |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Transport Assets                             |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Libraries                                    |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Zoo's, Marine and Non-biological Animals     |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| <b>Total Upgrading of Existing Assets</b>    |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Roads Infrastructure                         |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Storm water Infrastructure                   |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Electrical Infrastructure                    |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Water Supply Infrastructure                  |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Sanitation Infrastructure                    |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Solid Waste Infrastructure                   |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Rail Infrastructure                          |   | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Coastal Infrastructure                       | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Information and Communication Infrastructure | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Infrastructure                               | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Community Facilities                         | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Sport and Recreation Facilities              | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Community Assets                             | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Heritage Assets                              | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Revenue Generating                           | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Non-revenue Generating                       | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Investment properties                        | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Operational Buildings                        | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Housing                                      | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Other Assets                                 | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Biological or Cultivated Assets              | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Servitudes                                   | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Licences and Rights                          | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Intangible Assets                            | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Computer Equipment                           | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Furniture and Office Equipment               | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Machinery and Equipment                      | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Transport Assets                             | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Libraries                                    | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| Zoo's, Marine and Non-biological Animals     | - | -       | -       | -       | -       | -       | -       | -       |         |         |
| <b>Total Capital Expenditure</b>             | 4 | 29,361  | 40,570  | 18,466  | 15,695  | 15,695  | 15,695  | 12,907  | 13,617  | 14,366  |
| Roads Infrastructure                         |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Storm water Infrastructure                   |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Electrical Infrastructure                    |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Water Supply Infrastructure                  |   | 80,822  | 109,290 | 90,826  | 69,781  | 70,016  | 70,016  | 85,615  | 77,729  | 134,754 |
| Sanitation Infrastructure                    |   | 19,386  | 17,018  | 14,616  | 17,065  | 17,065  | 17,065  | 15,361  | 16,205  | 17,115  |
| Solid Waste Infrastructure                   |   | -       | -       | -       | 50      | -       | -       | 50      | 53      | 56      |
| Rail Infrastructure                          |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Coastal Infrastructure                       |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Information and Communication Infrastructure |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Infrastructure                               |   | 129,569 | 166,879 | 123,907 | 102,592 | 102,777 | 102,777 | 113,933 | 107,604 | 166,291 |
| Community Facilities                         |   | 617     | 1,491   | 7,072   | 5,000   | 5,300   | 5,300   | 4,447   | 3,165   | 3,339   |
| Sport and Recreation Facilities              |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Community Assets                             |   | 617     | 1,491   | 7,072   | 5,000   | 5,300   | 5,300   | 4,447   | 3,165   | 3,339   |
| Heritage Assets                              | - | -       | -       | -       | -       | -       | -       | -       | -       |         |
| Revenue Generating                           | - | -       | -       | -       | -       | -       | -       | -       | -       |         |

|                                                 |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
|-------------------------------------------------|---|------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Non-revenue Generating                          |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| <b>Investment properties</b>                    |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| Operational Buildings                           |   | -                | 12,185           | 2,099          | 3,691            | 4,117            | 4,117            | 800              | 633              | 668              |
| Housing                                         |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| <b>Other Assets</b>                             |   | -                | <b>12,185</b>    | <b>2,099</b>   | <b>3,691</b>     | <b>4,117</b>     | <b>4,117</b>     | <b>800</b>       | <b>633</b>       | <b>668</b>       |
| <b>Biological or Cultivated Assets</b>          |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| Servitudes                                      |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| Licences and Rights                             |   | 246              | -                | 414            | 824              | 389              | 389              | 358              | 377              | 398              |
| <b>Intangible Assets</b>                        |   | <b>246</b>       | -                | <b>414</b>     | <b>824</b>       | <b>389</b>       | <b>389</b>       | <b>358</b>       | <b>377</b>       | <b>398</b>       |
| <b>Computer Equipment</b>                       |   | <b>(15)</b>      | <b>156</b>       | -              | <b>490</b>       | <b>715</b>       | <b>715</b>       | <b>1,137</b>     | <b>1,570</b>     | <b>1,969</b>     |
| <b>Furniture and Office Equipment</b>           |   | -                | <b>440</b>       | -              | <b>405</b>       | <b>580</b>       | <b>580</b>       | <b>515</b>       | <b>533</b>       | <b>562</b>       |
| <b>Machinery and Equipment</b>                  |   | -                | -                | -              | <b>1,062</b>     | <b>512</b>       | <b>512</b>       | <b>50</b>        | <b>53</b>        | <b>56</b>        |
| <b>Transport Assets</b>                         |   | <b>667</b>       | <b>621</b>       | -              | <b>200</b>       | -                | -                | <b>350</b>       | -                | -                |
| <b>Libraries</b>                                |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| <b>Zoo's, Marine and Non-biological Animals</b> |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| <b>TOTAL CAPITAL EXPENDITURE - Asset class</b>  |   | <b>131,084</b>   | <b>181,772</b>   | <b>133,492</b> | <b>114,264</b>   | <b>114,390</b>   | <b>114,390</b>   | <b>121,590</b>   | <b>113,935</b>   | <b>173,283</b>   |
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>       | 5 |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Roads Infrastructure                            |   | 690,749          | 724,145          |                | 774,302          | 775,243          | 775,243          | 788,150          | 801,767          | 816,133          |
| Storm water Infrastructure                      |   | 247,026          | 729,756          |                |                  | -                | -                |                  |                  |                  |
| Electrical Infrastructure                       |   | -                | 5,311            |                | 5,499            | 5,499            | 5,499            | 5,499            | 5,499            | 5,499            |
| Water Supply Infrastructure                     |   | 5,311            | (16,114)         |                | 733,956          | 733,956          | 733,956          | 819,071          | 896,273          | 1,030,470        |
| Sanitation Infrastructure                       |   |                  |                  |                | 133,630          | 133,580          | 133,580          | 148,941          | 165,146          | 182,261          |
| Solid Waste Infrastructure                      |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Rail Infrastructure                             |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Coastal Infrastructure                          |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Information and Communication Infrastructure    |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| <b>Infrastructure</b>                           |   | <b>943,086</b>   | <b>1,443,097</b> | -              | <b>1,647,387</b> | <b>1,648,278</b> | <b>1,648,278</b> | <b>1,761,661</b> | <b>1,868,684</b> | <b>2,034,363</b> |
| Community Facilities                            |   | 110,606          | 105,816          |                | 133,470          | 132,470          | 132,470          | 135,470          | 138,635          | 141,975          |
| Sport and Recreation Facilities                 |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| <b>Community Assets</b>                         |   | <b>110,606</b>   | <b>105,816</b>   | -              | <b>133,470</b>   | <b>132,470</b>   | <b>132,470</b>   | <b>135,470</b>   | <b>138,635</b>   | <b>141,975</b>   |
| <b>Heritage Assets</b>                          |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Revenue Generating                              |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Non-revenue Generating                          |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| <b>Investment properties</b>                    |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| Operational Buildings                           |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Housing                                         |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| <b>Other Assets</b>                             |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| <b>Biological or Cultivated Assets</b>          |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Servitudes                                      |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Licences and Rights                             |   |                  |                  |                | 1,559            | 1,559            | 1,559            | 1,917            | 2,295            | 2,693            |
| <b>Intangible Assets</b>                        |   | -                | -                | -              | <b>1,559</b>     | <b>1,559</b>     | <b>1,559</b>     | <b>1,917</b>     | <b>2,295</b>     | <b>2,693</b>     |
| <b>Computer Equipment</b>                       |   | <b>350</b>       | <b>350</b>       |                | <b>350</b>       | <b>350</b>       | <b>350</b>       | <b>1,487</b>     | <b>3,057</b>     | <b>5,026</b>     |
| <b>Furniture and Office Equipment</b>           |   | <b>5,744</b>     | <b>7,798</b>     |                | <b>16,567</b>    | <b>16,567</b>    | <b>16,567</b>    | <b>16,867</b>    | <b>17,184</b>    | <b>17,517</b>    |
| <b>Machinery and Equipment</b>                  |   | <b>4,422</b>     | <b>4,422</b>     |                | <b>4,422</b>     | <b>4,422</b>     | <b>4,422</b>     | <b>7,452</b>     | <b>9,304</b>     | <b>10,889</b>    |
| <b>Transport Assets</b>                         |   | <b>200</b>       | <b>200</b>       |                | <b>200</b>       |                  |                  | <b>350</b>       |                  |                  |
| <b>Libraries</b>                                |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| <b>Zoo's, Marine and Non-biological Animals</b> |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b> | 5 | <b>1,064,408</b> | <b>1,561,683</b> | -              | <b>1,803,955</b> | <b>1,803,647</b> | <b>1,803,647</b> | <b>1,925,205</b> | <b>2,039,160</b> | <b>2,212,463</b> |
| <b>EXPENDITURE OTHER ITEMS</b>                  |   |                  |                  |                |                  |                  |                  |                  |                  |                  |
| <u>Depreciation</u>                             | 7 | 26,491           | 57,118           | 10,702         | 10,000           | 10,000           | 10,000           | 18,373           | 23,405           | 26,834           |
| <u>Repairs and Maintenance by Asset Class</u>   | 3 | <b>11,248</b>    | <b>30,615</b>    | <b>1,185</b>   | <b>5,204</b>     | <b>6,647</b>     | <b>6,647</b>     | <b>5,978</b>     | <b>6,643</b>     | <b>7,125</b>     |
| Roads Infrastructure                            |   | 314              | -                | -              | 200              | 300              | 300              | 250              | 264              | 278              |
| Storm water Infrastructure                      |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| Electrical Infrastructure                       |   | -                | 189              | 189            | 492              | 492              | 492              | 100              | 600              | 750              |
| Water Supply Infrastructure                     |   | 1,693            | 27,260           | 857            | 3,056            | 4,230            | 4,230            | 3,150            | 3,323            | 3,506            |
| Sanitation Infrastructure                       |   | 84               | 129              | 6              | 106              | 90               | 90               | 180              | 190              | 200              |
| Solid Waste Infrastructure                      |   | 5,053            | -                | -              | 200              | 170              | 170              | 100              | 106              | 111              |
| Rail Infrastructure                             |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |
| Coastal Infrastructure                          |   | -                | -                | -              | -                | -                | -                | -                | -                | -                |



|                                                                     |               |               |               |               |               |               |               |               |               |
|---------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <i>Information and Communication Infrastructure</i>                 | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| <b>Infrastructure</b>                                               | <b>7,145</b>  | <b>27,577</b> | <b>1,052</b>  | <b>4,054</b>  | <b>5,282</b>  | <b>5,282</b>  | <b>3,780</b>  | <b>4,482</b>  | <b>4,846</b>  |
| Community Facilities                                                | 1             | 917           | –             | 350           | 455           | 455           | 410           | 274           | 289           |
| Sport and Recreation Facilities                                     | 0             | 1             | 0             | 150           | 30            | 30            | 200           | 211           | 223           |
| <b>Community Assets</b>                                             | <b>2</b>      | <b>918</b>    | <b>0</b>      | <b>500</b>    | <b>485</b>    | <b>485</b>    | <b>610</b>    | <b>485</b>    | <b>512</b>    |
| <b>Heritage Assets</b>                                              | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| Revenue Generating                                                  | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| Non-revenue Generating                                              | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| <b>Investment properties</b>                                        | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| Operational Buildings                                               | 3,310         | 1,731         | 132           | 350           | 472           | 472           | 488           | 515           | 543           |
| Housing                                                             | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| <b>Other Assets</b>                                                 | <b>3,310</b>  | <b>1,731</b>  | <b>132</b>    | <b>350</b>    | <b>472</b>    | <b>472</b>    | <b>488</b>    | <b>515</b>    | <b>543</b>    |
| <b>Biological or Cultivated Assets</b>                              | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| Servitudes                                                          | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| Licences and Rights                                                 | 110           | 207           | –             | –             | –             | –             | –             | –             | –             |
| <b>Intangible Assets</b>                                            | <b>110</b>    | <b>207</b>    | –             | –             | –             | –             | –             | –             | –             |
| <b>Computer Equipment</b>                                           | –             | –             | –             | 100           | 100           | 100           | 100           | 106           | 111           |
| <b>Furniture and Office Equipment</b>                               | <b>27</b>     | –             | –             | –             | –             | –             | –             | –             | –             |
| <b>Machinery and Equipment</b>                                      | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| <b>Transport Assets</b>                                             | <b>656</b>    | <b>182</b>    | –             | <b>200</b>    | <b>308</b>    | <b>308</b>    | <b>1,000</b>  | <b>1,055</b>  | <b>1,113</b>  |
| <b>Libraries</b>                                                    | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| <b>Zoo's, Marine and Non-biological Animals</b>                     | –             | –             | –             | –             | –             | –             | –             | –             | –             |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>                                | <b>37,739</b> | <b>87,733</b> | <b>11,886</b> | <b>15,204</b> | <b>16,647</b> | <b>16,647</b> | <b>24,351</b> | <b>30,048</b> | <b>33,959</b> |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 10.3%         | 11.0%         | 14.4%         |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i>     | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 68.0%         | 53.4%         | 93.2%         |
| <i>R&amp;M as a % of PPE</i>                                        | 0.9%          | 1.8%          | 0.1%          | 0.3%          | 0.4%          | 0.4%          | 0.3%          | 0.3%          | 0.3%          |
| <i>Renewal and upgrading and R&amp;M as a % of PPE</i>              | 1.0%          | 2.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 1.0%          | 1.0%          | 1.0%          |

## Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality doesn't meet the above recommendations.

The total repairs and maintenance amounts to 0.3% of the total value Property, Plant and Equipment in the 2018/19 budget and remains 0.3% in the following year. We acknowledge that the municipality should provide at least 8% of the total value of assets for repair and maintenance as stated on MFMA Circular No 70.

# Table 23- Table A10 Basic Service Delivery Measurement

NC451 Joe Morolong - Table A10 Basic service delivery measurement

| Description                                                                                                | Ref | 2014/15       | 2015/16       | 2016/17       | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------------------------------------------------------------------------|-----|---------------|---------------|---------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                                            |     | Outcome       | Outcome       | Outcome       | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Household service targets</b>                                                                           | 1   |               |               |               |                      |                 |                    |                                                     |                        |                        |
| <b>Water:</b>                                                                                              |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Piped water inside dwelling                                                                                |     | 3,718         | 3,818         | 3,868         | 4,068                | 4,068           | 4,068              | 4,068                                               | 4,068                  | 4,068                  |
| Piped water inside yard (but not in dwelling)                                                              |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Using public tap (at least min.service level)                                                              | 2   | 18,048        | 18,248        | 18,448        | 18,648               | 18,648          | 18,648             | 20,648                                              | 20,648                 | 20,648                 |
| Other water supply (at least min.service level)                                                            | 4   | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <i>Minimum Service Level and Above sub-total</i>                                                           |     | 21,766        | 22,066        | 22,316        | 22,716               | 22,716          | 22,716             | 24,716                                              | 24,716                 | 24,716                 |
| Using public tap (< min.service level)                                                                     | 3   | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other water supply (< min.service level)                                                                   | 4   | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| No water supply                                                                                            |     | 1,941         | 1,691         | 1,491         | 1,491                | 1,491           | 1,491              | 1,491                                               | 1,491                  | 1,491                  |
| <i>Below Minimum Service Level sub-total</i>                                                               |     | 1,941         | 1,691         | 1,491         | 1,491                | 1,491           | 1,491              | 1,491                                               | 1,491                  | 1,491                  |
| <b>Total number of households</b>                                                                          | 5   | <b>23,707</b> | <b>23,757</b> | <b>23,807</b> | <b>24,207</b>        | <b>24,207</b>   | <b>24,207</b>      | <b>26,207</b>                                       | <b>26,207</b>          | <b>26,207</b>          |
| <b>Sanitation/sewerage:</b>                                                                                |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Flush toilet (connected to sewerage)                                                                       |     | 2,131         | 2,131         | 2,131         | 2,131                | 2,131           | 2,131              | 2,131                                               | 2,131                  | 2,131                  |
| Flush toilet (with septic tank)                                                                            |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Chemical toilet                                                                                            |     | 18,254        | 18,254        | 18,454        | 18,654               | 18,654          | 18,654             | 18,654                                              | 18,654                 | 18,654                 |
| Pit toilet (ventilated)                                                                                    |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other toilet provisions (> min.service level)                                                              |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <i>Minimum Service Level and Above sub-total</i>                                                           |     | 20,385        | 20,385        | 20,585        | 20,785               | 20,785          | 20,785             | 20,785                                              | 20,785                 | 20,785                 |
| Bucket toilet                                                                                              |     | 469           | 419           | 369           | 319                  | 319             | 319                | 819                                                 | 1,319                  | 1,819                  |
| Other toilet provisions (< min.service level)                                                              |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| No toilet provisions                                                                                       |     | 2,432         | 2,753         | 2,653         | 2,453                | 2,453           | 2,453              | 2,453                                               | 2,453                  | 2,453                  |
| <i>Below Minimum Service Level sub-total</i>                                                               |     | 2,901         | 3,172         | 3,022         | 2,772                | 2,772           | 2,772              | 3,272                                               | 3,772                  | 4,272                  |
| <b>Total number of households</b>                                                                          | 5   | <b>23,286</b> | <b>23,557</b> | <b>23,607</b> | <b>23,557</b>        | <b>23,557</b>   | <b>23,557</b>      | <b>24,057</b>                                       | <b>24,557</b>          | <b>25,057</b>          |
| <b>Energy:</b>                                                                                             |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Electricity (at least min.service level)                                                                   |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Electricity - prepaid (min.service level)                                                                  |     | 19,384        | 19,384        | 19,384        | 19,384               | 19,384          | 19,384             | 21,884                                              | 24,384                 | 26,884                 |
| <i>Minimum Service Level and Above sub-total</i>                                                           |     | 19,384        | 19,384        | 19,384        | 19,384               | 19,384          | 19,384             | 21,884                                              | 24,384                 | 26,884                 |
| Electricity (< min.service level)                                                                          |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Electricity - prepaid (< min. service level)                                                               |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other energy sources                                                                                       |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <i>Below Minimum Service Level sub-total</i>                                                               |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total number of households</b>                                                                          | 5   | <b>19,384</b> | <b>19,384</b> | <b>19,384</b> | <b>19,384</b>        | <b>19,384</b>   | <b>19,384</b>      | <b>21,884</b>                                       | <b>24,384</b>          | <b>26,884</b>          |
| <b>Refuse:</b>                                                                                             |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Removed at least once a week                                                                               |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <i>Minimum Service Level and Above sub-total</i>                                                           |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Removed less frequently than once a week                                                                   |     | 1,581         | 1,581         | 1,581         | 1,581                | 1,581           | 1,581              | 1,581                                               | 1,581                  | 1,581                  |
| Using communal refuse dump                                                                                 |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Using own refuse dump                                                                                      |     | 19,146        | 19,146        | 19,146        | 19,146               | 19,146          | 19,146             | 19,146                                              | 19,146                 | 19,146                 |
| Other rubbish disposal                                                                                     |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| No rubbish disposal                                                                                        |     | 2,980         | 2,980         | 3,335         | 3,444                | 3,444           | 3,444              | 3,444                                               | 3,444                  | 3,444                  |
| <i>Below Minimum Service Level sub-total</i>                                                               |     | 23,707        | 23,707        | 24,062        | 24,171               | 24,171          | 24,171             | 24,171                                              | 24,171                 | 24,171                 |
| <b>Total number of households</b>                                                                          | 5   | <b>23,707</b> | <b>23,707</b> | <b>24,062</b> | <b>24,171</b>        | <b>24,171</b>   | <b>24,171</b>      | <b>24,171</b>                                       | <b>24,171</b>          | <b>24,171</b>          |
| <b>Households receiving Free Basic Service</b>                                                             | 7   |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Water (6 kilolitres per household per month)                                                               |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Sanitation (free minimum level service)                                                                    |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Electricity/other energy (50kwh per household per month)                                                   |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Refuse (removed at least once a week)                                                                      |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>                                   | 8   |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Water (6 kilolitres per indigent household per month)                                                      |     | -             | -             | -             | -                    | -               | -                  | 1,123                                               | 1,184                  | 1,250                  |
| Sanitation (free sanitation service to indigent households)                                                |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Electricity/other energy (50kwh per indigent household per month)                                          | 8   | 8             | 8             | 8             | 8                    | 8               | 8                  | -                                                   | -                      | -                      |
| Refuse (removed once a week for indigent households)                                                       |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>                          |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total cost of FBS provided</b>                                                                          |     | <b>8</b>      | <b>8</b>      | <b>8</b>      | <b>8</b>             | <b>8</b>        | <b>8</b>           | <b>1,123</b>                                        | <b>1,184</b>           | <b>1,250</b>           |
| <b>Highest level of free service provided per household</b>                                                |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Property rates (R value threshold)                                                                         |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Water (kilolitres per household per month)                                                                 |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Sanitation (kilolitres per household per month)                                                            |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Electricity (kwh per household per month)                                                                  |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Refuse (average litres per week)                                                                           |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| <b>Revenue cost of subsidised services provided (R'000)</b>                                                | 9   |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)                           |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA |     | -             | -             | -             | -                    | 25,905          | 25,905             | 22,888                                              | 24,147                 | 25,475                 |
| Water (in excess of 6 kilolitres per indigent household per month)                                         |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Sanitation (in excess of free sanitation service to indigent households)                                   |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Electricity/other energy (in excess of 50 kwh per indigent household per month)                            |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Refuse (in excess of one removal a week for indigent households)                                           |     | -             | -             | -             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Municipal Housing - rental rebates                                                                         |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Housing - top structure subsidies                                                                          |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Other                                                                                                      |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| <b>Total revenue cost of subsidised services provided</b>                                                  | 6   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>             | <b>25,905</b>   | <b>25,905</b>      | <b>22,888</b>                                       | <b>24,147</b>          | <b>25,475</b>          |

### **Explanatory notes to Table A10 - Basic Service Delivery Measurement**

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

The municipality continues to make good progress with the eradication of backlogs.

It is anticipated that these Free Basic Services will cost the municipality R 4.2 million in 2018/19, increasing to R 4.4 million in 2019/20. This is covered by the municipality's equitable share allocation from national government.

It is very difficult to measure correctly the revenue cost of free basic as the municipality is mostly rural and the infrastructure used for water was communal stand pipes except Van Zylsrus and Hotazel, and the municipality is busy installing the prepaid meter that assist in measuring the correct cost of revenue for free basic service, and Eskom provide the electricity in more than 99% of municipal areas

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the executive chairpersonship of Finance, Human Resource and Administration.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

### **2.2 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council (10) ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on August 2017.

There were deviations from key dates set out in the budget time schedule tabled in council but the activities were all carried out in different dates as compared to the planned dates.

### IDP PROCESS PLAN 2017/ 2018 FINANCIAL YEAR

| PHASE                    | ACTIVITY                                                                    | RESPONSIBLE                       | OUTPUT                                                                                                                                                                                                                                                                                                                                                               | TIME FRAME                   |
|--------------------------|-----------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| <b>Preparation Phase</b> | Develop Draft IDP and Budget process plan                                   | CFO and IDP Manager               | Approved 2016/2017 IDP,<br>Budget and PMS process plan                                                                                                                                                                                                                                                                                                               | <b>17 -18 July 2017</b>      |
|                          | Alignment with JTG District framework IDP, Budget and PMS process plan      | JTG District Municipality         |                                                                                                                                                                                                                                                                                                                                                                      | <b>10 -09 July 2017</b>      |
|                          | IDP Steering Committee Meeting                                              | IDP Manager                       |                                                                                                                                                                                                                                                                                                                                                                      | <b>14 August 2017</b>        |
|                          | IDP Representative Forum Meeting                                            | IDP Manager                       |                                                                                                                                                                                                                                                                                                                                                                      | <b>17 August 2017</b>        |
|                          | JTG District Representative Forum Meeting                                   |                                   |                                                                                                                                                                                                                                                                                                                                                                      | <b>To be confirmed</b>       |
|                          | Tabling of Annual Performance Report and Annual Financial Statements        | Mayor and Municipal Manager       |                                                                                                                                                                                                                                                                                                                                                                      | <b>22 August 2017</b>        |
|                          | Submission of Annual Performance Report to the Auditor– General and MEC     | IDP Manager                       |                                                                                                                                                                                                                                                                                                                                                                      | <b>30 August 2017</b>        |
| <b>Analysis Phase</b>    | MECs Assessment of IDP                                                      | COGHSTA and JTG District          |  Output of existing level of development<br> Information on available resources<br> Alignments of IDP | <b>September Month 2017</b>  |
|                          | Identification of Gaps, Stakeholder Registration and Information Gathering. | IDP Manager                       |                                                                                                                                                                                                                                                                                                                                                                      | <b>Week 1 September 2017</b> |
|                          | Draft IDP 2016/17 Analysis Phase Completed                                  | IDP Manager                       |                                                                                                                                                                                                                                                                                                                                                                      | <b>06 September 2017</b>     |
|                          | Draft IDP 2016/17 Analysis Phase Completed                                  | IDP Manager                       |                                                                                                                                                                                                                                                                                                                                                                      | <b>08 September 2017</b>     |
|                          | IDP 2016/2017 Analysis Phase (JTG District Forum)                           | JTG District Municipality         |                                                                                                                                                                                                                                                                                                                                                                      | <b>To be confirmed</b>       |
|                          | IDP Steering Committee Meeting                                              | IDP Manager                       |  Priority issues/problems<br> Understanding of causes of priority issues/problems                                                                                                          | <b>10 October 2017</b>       |
|                          | Community Consultation Meetings (Road Show)                                 | Budget & Treasury and IDP Manager |                                                                                                                                                                                                                                                                                                                                                                      | <b>17 – 31 October 2017</b>  |
|                          | IDP Representative Forum Meeting                                            | IDP Manager and Municipal Manager |                                                                                                                                                                                                                                                                                                                                                                      | <b>21 November 2017</b>      |

|                          |                                                                                       |                                       |                                                                                                                                                                                                                          |                               |
|--------------------------|---------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
|                          | Consultative Forum on Vision, Mission, Objectives, and Localized Strategic Guidelines | IDP Manager                           |                                                                                                                                                                                                                          | <b>07 November 2017</b>       |
|                          | JTG District Forum 2015/ 2016 IDP Representative Forum                                | JTG District Municipality             |                                                                                                                                                                                                                          | <b>To be confirmed</b>        |
|                          | JTG District Wide Strategic Planning Session                                          | JTG District Municipality             |                                                                                                                                                                                                                          | <b>To be confirmed</b>        |
|                          | Strategic Planning Session                                                            | IDP Manager and Municipal Manager     |                                                                                                                                                                                                                          | <b>27 to 29 November 2017</b> |
|                          | JTG District Wide Strategic Planning Session                                          | JTG District Municipality             |                                                                                                                                                                                                                          | <b>To be confirmed</b>        |
|                          | Review Financial Strategies, Budget Adjustment and Review of Organizational Structure | All Departments and Municipal Manager |                                                                                                                                                                                                                          | <b>17 January 2018</b>        |
|                          | Draft Mid – Year and Draft Annual Report                                              | All Departments and Municipal Manager |                                                                                                                                                                                                                          | <b>24 January 2018</b>        |
|                          |                                                                                       |                                       |                                                                                                                                                                                                                          |                               |
|                          | Review and Rationalization of Projects, Redesigning and Upgrading Project Designs     | IDP Manager                           |                                                                                                                                                                                                                          | <b>Week 2 February 2018</b>   |
|                          | IDP Steering Committee Meeting                                                        | IDP Manager and Municipal Manager     |                                                                                                                                                                                                                          | <b>23 February 2018</b>       |
|                          | IDP Representative Forum Meeting                                                      | IDP Manager                           |                                                                                                                                                                                                                          | <b>26 February 2018</b>       |
|                          | JTG District Representative Forum Meeting                                             | Mayor and Municipal Manager           |                                                                                                                                                                                                                          | <b>To be confirmed</b>        |
|                          | Tabling of Draft IDP, Budget and SDBIP for Council Approval                           | Mayor and Municipal Manager           |                                                                                                                                                                                                                          | <b>27 March 2018</b>          |
|                          | Submission of Approved Draft IDP & Budget to National Treasury and COGHSTA            | Municipal Manager                     |                                                                                                                                                                                                                          | <b>30 March 2018</b>          |
|                          |                                                                                       |                                       |                                                                                                                                                                                                                          |                               |
| <b>Integration Phase</b> | Alignment with JTG District Municipality, Provincial and National Programs            | COGHSTA and JTG District Municipality |  5 Year Financial Plan<br> 5 Year Capital Plan | <b>02 to 05 April 2018</b>    |

|                       |                                                                                           |                                             |                                                                                                                                                                                                          |                            |
|-----------------------|-------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                       | Draft IDP & Budget<br>Community Consultation Meeting<br>(Road show)                       | All Departments<br>and Municipal<br>Manager | Investment Plan<br><div> <div></div> <div>Institutional Plan</div> </div> <div> <div></div> <div>Reference</div> </div> to Sector Plans<br><div> <div></div> <div>Integrated Sectoral Plans</div> </div> | <b>09 to 20 April 2018</b> |
|                       | IDP Steering Committee Meeting                                                            | IDP Manager and Municipal Manager           |                                                                                                                                                                                                          | <b>23 April 2018</b>       |
|                       | IDP Representative Forum Meeting                                                          | JTG District Municipality                   |                                                                                                                                                                                                          | <b>24 April 2018</b>       |
|                       | Publish of a Draft IDP & Budget                                                           | IDP Manager                                 |                                                                                                                                                                                                          | <b>30 April 2018</b>       |
|                       | Draft IDP & Budget for JTG District Forum                                                 | JTG District Municipality                   |                                                                                                                                                                                                          | <b>To be confirmed</b>     |
|                       | Screening of Draft IDP Projects<br>Integration of Sector Plans and Institutional Programs | IDP Manager and All Departments             |                                                                                                                                                                                                          | <b>28 May 2018</b>         |
|                       |                                                                                           |                                             |                                                                                                                                                                                                          |                            |
| <b>Approval Phase</b> | Approval of IDP and Budget                                                                | Mayor and Municipal Manager                 | <div> <div></div> <div>Public Comments</div> </div> <div> <div></div> <div>Approved IDP for the Municipality</div> </div>                                                                                | <b>30 May 2018</b>         |
|                       | Approval of Top Layer Service Delivery and Budget Implementation Plan(SBDIP)              | Municipal Manager                           |                                                                                                                                                                                                          | <b>12 June 2018</b>        |
|                       | Publish of IDP, SDBIP and Budget                                                          | IDP Manager                                 |                                                                                                                                                                                                          | <b>26 June 2018</b>        |
|                       | Submission of Approved IDP SDBIP and Budget to National Treasury and COGHSTA              | Mayor and Municipal Manager                 |                                                                                                                                                                                                          | <b>28 June 2018</b>        |
|                       | Signing of Annual Performance Agreements for Section 57 Managers                          | Mayor and Municipal Manager                 |                                                                                                                                                                                                          | <b>39 June 2018</b>        |

## 2.5 Community Consultation

The 2018/19 MTREF will be tabled before council on the 28 March 2018 together with community consultation time table. Consultation time table will be published in the municipal website and local newspaper and hard copies for draft budget will be available in the main municipal office and satellite offices and draft budget softcopy was loaded on the municipal website ([www.joemorolong.gov.za](http://www.joemorolong.gov.za)).

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 03 to 23 April 2018. The applicable dates and venues will be published in all the local newspapers and notice board of public places. Other stakeholders involved in the consultation will include Agri Kuruman, sector departments, mining houses and churches and community-based organisations.

### **Draft IDP, Budget and Tariffs for 2018/19 FY Community Consultation Meetings**

| <b>Date</b>   | <b>Ward</b> | <b>Place</b>   | <b>Time</b> | <b>Ward Councillors</b> |
|---------------|-------------|----------------|-------------|-------------------------|
| 03 April 2018 | Ward 12     | Dithakong      | 09H30       | Councillor Earabang     |
| 04 April 2018 | Ward 10     | Gamadubu       | 09H30       | Councillor Sesenyi      |
| 05 April 2018 | Ward 11     | Lotlhakajaneng | 09H30       | Councillor Matsioloko   |
| 06 April 2018 | Ward 09     | Dihotshane     | 09H30       | Councillor Kaebis       |
| 09 April 2018 | Ward 13     | Wateraar       | 09H30       | Councillor Mmmolaeng    |
| 10 April 2018 | Ward 15     | Magwagwe       | 09H30       | Councillor Matebesi     |
| 11 April 2018 | Ward 03     | Bosra          | 09H30       | Councillor Block        |
| 12 April 2018 | Ward 05     | Maipeing       | 09H30       | Councillor Sekokodie    |
| 13 April 2018 | Ward 04     | Vanzylsrus     | 09H30       | Councillor Katong       |
| 16 April 2018 | Ward 07     | Kleineria      | 09H30       | Councillor Modise       |
| 17 April 2018 | Ward 14     | Kikahela       | 09H30       | Councillor Josop        |
| 18 April 2018 | Ward 06     | Permonkie      | 09H30       | Councillor Seikaneng    |
| 19 April 2018 | Ward 08     | Deurhum        | 09H30       | Councillor Mokgautsi    |
| 20 April 2018 | Ward 02     | Cahar          | 09H30       | Councillor Tswere       |
| 23 April 2018 | Ward 01     | Shalaneng      | 09H30       | Councillor Mokweni      |



## **2.6 Overview of alignment of annual budget with IDP**

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structure. It also integrates and aligns planning in different spheres of government and therefore enforcing and upholding the spirit of co-operative governance in the public sector.

For our planning and programmes to be effective all strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning different plans are integrated, coordinated and linked to the use of natural, financial, human and physical resources.

**The following IDP's five strategic objectives that have directly informed the compilation of 2018/19 MTREF budget**

- Provide quality basic services to community
- Good governance and community participation
- Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability

The following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 24 – Table SA4: Reconciliation between the IDP strategic objectives and budgeted revenue**

**NC451 Joe Morolong - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

| Strategic Objective<br><br>R thousand                         | Goal                                                                                                                                                                                                                                                       | Goal Code | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                               |                                                                                                                                                                                                                                                            |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Provide quality basic services to community                   | Provision of infrastructure for water, sanitation, waste management, electricity and roads                                                                                                                                                                 |           |     | 183,635         | 212,282         | 174,658         | 133,691              | 128,309         | 128,309            | 139,591                                             | 135,856                | 197,375                |
| Good governance and community participation                   | Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities                                                                                                 |           |     | 5,317           | 5,998           | 6,315           | 6,531                | 6,531           | 6,531              | 6,869                                               | 7,215                  | 7,563                  |
| Institutional Development and Transformation                  | Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures                                     |           |     | 3,164           | 299             | 273             | 325                  | 1,520           | 1,520              | 2,011                                               | 2,121                  | 2,238                  |
| Local Economic Development                                    | Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors |           |     |                 | 2,751           | 5,614           | 1,178                | 323             | 323                | 1,541                                               | 20                     | 21                     |
| Municipal Financial Viability                                 | Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan                                                                                      |           |     | 108,622         | 134,705         | 150,839         | 130,479              | 152,639         | 152,639            | 155,424                                             | 168,060                | 179,790                |
| Allocations to other priorities                               |                                                                                                                                                                                                                                                            |           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Total Revenue (excluding capital transfers and contributions) |                                                                                                                                                                                                                                                            |           |     | 300,739         | 356,034         | 337,699         | 272,203              | 289,323         | 289,323            | 305,435                                             | 313,271                | 386,986                |

**Table 25 – Table SA5: Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

**NC451 Joe Morolong - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

| Strategic Objective<br>R thousand            | Goal                                                                                                                                                                                                                                                       | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                              |                                                                                                                                                                                                                                                            |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Provide quality basic services to community  | Provision of infrastructure for water, sanitation, waste management, electricity and roads                                                                                                                                                                 |     | 40,258          | 151,535         | 72,602          | 74,314               | 76,855          | 76,855             | 69,106                                              | 73,759                 | 78,432                 |
| Good governance and community participation  | Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities                                                                                                 |     | 17,807          | 15,567          | 21,066          | 24,197               | 21,124          | 21,124             | 23,981                                              | 25,348                 | 27,100                 |
| Institutional Development and Transformation | Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures                                     |     | 34,615          | 15,229          | 19,662          | 15,584               | 21,738          | 21,738             | 20,756                                              | 22,028                 | 23,411                 |
| Local Economic Development                   | Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors |     | 8,865           | 9,393           | 15,802          | 7,959                | 12,494          | 12,494             | 16,149                                              | 17,128                 | 17,933                 |
| Municipal Financial Viability                | Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan                                                                                      |     | (11,394)        | 162,910         | 76,625          | 39,026               | 42,514          | 42,514             | 54,934                                              | 62,212                 | 68,029                 |
| Allocations to other priorities              |                                                                                                                                                                                                                                                            |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Total Expenditure                            |                                                                                                                                                                                                                                                            |     | 90,151          | 354,633         | 205,758         | 161,082              | 174,725         | 174,725            | 184,924                                             | 200,474                | 214,904                |

**Table 26– Table SA6: Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

**NC451 Joe Morolong - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

| Strategic Objective                          | Goal                                                                                                                                                                                                                                                       | Goal Code | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                   |                                                                                                                                                                                                                                                            |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Provide quality basic services to community  | Provision of infrastructure for water, sanitation, waste management, electricity and roads                                                                                                                                                                 | A         | 3   | 118,694         | 177,675         | 130,516         | 103,407              | 106,674         | 106,674            | 115,495                                             | 107,715                | 166,308                |
| Good governance and community participation  | Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities                                                                                                 | B         |     | 12,405          |                 |                 |                      | 23              | 23                 |                                                     |                        |                        |
| Institutional Development and Transformation | Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures                                     | C         |     | –               | 595             | 2,976           | 3,300                | 1,908           | 1,908              | 2,250                                               | 2,163                  | 2,282                  |
| Local Economic Development                   | Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors | D         |     |                 | 3,501           |                 | 7,022                | 5,300           | 5,300              | 3,350                                               | 3,165                  | 3,339                  |
| Municipal Financial Viability                | Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan                                                                                      | E         |     | (15)            |                 |                 | 535                  | 485             | 485                | 495                                                 | 893                    | 1,354                  |
| Allocations to other priorities              |                                                                                                                                                                                                                                                            |           | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Total Capital Expenditure                    |                                                                                                                                                                                                                                                            |           | 1   | 131,084         | 181,772         | 133,492         | 114,264              | 114,390         | 114,390            | 121,590                                             | 113,935                | 173,283                |

## **2.7 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**Table 27– Table SA7: Measurable performance objectives**

**NC451 Joe Morolong - Supporting Table SA7 Measureable performance objectives**

| Description                                                                                                                                                                    | Unit of measurement              | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                  |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|-----------------|----------------------|------------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                |                                  | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Vote 1 - Executive &amp; Council</b>                                                                                                                                        |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Function 1 - Council</b>                                                                                                                                                    |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Sub-function 1 - (name)</b>                                                                                                                                                 |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i>Tabling &amp; Approval of IDP &amp; Budget for each budget year</i>                                                                                                         | Approval before 31 May each year | 1               | 1               | 1               | 1                    | 1                | 1                  | 1                                                   | 1                      | 1                      |
| <b>Hold quartely council meeting</b>                                                                                                                                           | Number of meeting held           | 4               | 4               | 4               | 4                    | 4                | 4                  | 4                                                   | 4                      | 4                      |
| <b>Approval of Sec 72 Reports by 25 January each year</b>                                                                                                                      | Approved Report & Resolution     | 1               | 1               | 1               | 1                    | 1                | 1                  | 1                                                   | 1                      | 1                      |
| <i>Tabling &amp; Approval of Adjusted Budget</i>                                                                                                                               | Number of Adjusted Budget        | 1               | 1               | 1               | 1                    | 1                | 1                  | 1                                                   | 1                      | 1                      |
| <b>Sub-function 2 - Municipal Manager</b>                                                                                                                                      |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i>The keeping and compilation of minutes of all meetings of Council and its committee</i>                                                                                     | Number of minutes                | 20              | 20              | 20              | 20                   | 20               | 20                 | 20                                                  | 20                     | 20                     |
| <b>Publication of four newsletter in financial year</b>                                                                                                                        | Number of newsletter             | 0               | 0               | 0               | 4                    | 4                | 4                  | 4                                                   | 4                      | 4                      |
| <b>Vote 2 - Budget &amp; Treasury Office</b>                                                                                                                                   |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i>Sub-function 1 - Budget &amp; Treasury</i>                                                                                                                                  |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Financial Statements by 31 August and submitted to the Auditor-General</b>                                                                                                  | Submitted AFS                    | 1               | 1               | 1               | 1                    | 1                | 1                  | 1                                                   | 1                      | 1                      |
| <b>All salaries and third party payments paid on time</b>                                                                                                                      | Number                           | 12              | 12              | 12              | 12                   | 12               | 12                 | 12                                                  | 12                     | 12                     |
| <i>Monthly sec 71 reports</i>                                                                                                                                                  | Number of report                 | 12              | 12              | 12              | 12                   | 12               | 12                 | 12                                                  | 12                     | 12                     |
| <b>Compile Quaterly reports</b>                                                                                                                                                | 7 reports per quarter            | 28              | 28              | 28              | 28                   | 28               | 28                 | 28                                                  | 28                     | 28                     |
| <b>Vote 3 - Corporate Services</b>                                                                                                                                             |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Function 1 - Corporate</b>                                                                                                                                                  |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Maintenance of an effective record and registry system.</b>                                                                                                                 | Continuous                       |                 |                 |                 | 100.0%<br>100.0%     | 100.0%<br>100.0% | 100.0%<br>100.0%   | 100.0%<br>100.0%                                    | 100.0%<br>100.0%       | 100.0%<br>100.0%       |
| <b>Administration of Human Resource recruitment and selection.</b>                                                                                                             | Continuous                       |                 |                 |                 | 1                    | 1                | 1                  | 1                                                   | 1                      | 1                      |
| <i>Update of Skills Development Plan</i>                                                                                                                                       | Number                           |                 |                 |                 | 100.0%<br>4          | 100.0%<br>4      | 100.0%<br>4        | 100.0%<br>4                                         | 100.0%<br>4            | 100.0%<br>4            |
| <b>Oversee that training in terms of the Skills Development Plan is being implemented.</b>                                                                                     | Continuous                       |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Reclaim all monies due in term of Skills Development Plan.</b>                                                                                                              | 4                                |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Vote 4 - Community Service</b>                                                                                                                                              |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i>Function 1 - Community</i>                                                                                                                                                  |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Number with VIP toilets</b>                                                                                                                                                 | Number                           |                 |                 |                 | 2<br>1               | 2<br>1           | 2                  | 2<br>1                                              | 2<br>1                 | 2                      |
|                                                                                                                                                                                | Number                           |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
|                                                                                                                                                                                | Complete testing staion          |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i>This indicator reflects the number of single residential properties that the Municipality is aware of which are receiving a weekly door to door refuse removal service.</i> | Number (1500)                    |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Vote 5 - Techical Service</b>                                                                                                                                               |                                  |                 |                 |                 | 6<br>1               | 5                | 1.5                | 6<br>1                                              | 5                      | 1.5                    |
| <i>Function 1 - Technical</i>                                                                                                                                                  |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Construction of internal roads</b>                                                                                                                                          | Kilomeetre                       |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i>Vote 7 - Water Unit</i>                                                                                                                                                     |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Function 1 - Water</b>                                                                                                                                                      |                                  |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Water control and management – breaks and losses – daily, weekly and monthly.</b>                                                                                           | Continuous                       |                 |                 |                 | 95%<br>95%           | 95%<br>95%       | 95%<br>95%         | 95%<br>95%                                          | 95%<br>95%             | 95%<br>95%             |
| <b>Water breaks must be repaired within twelve (12) hours after break has been reported.</b>                                                                                   | Continuous                       |                 |                 |                 | 95%                  | 95%              | 95%                | 95%                                                 | 95%                    | 95%                    |
| <i>Managing total water supply system to ensure sufficient water provision.</i>                                                                                                | Continuous                       |                 |                 |                 | 12                   | 12               | 12                 | 12                                                  | 12                     | 12                     |
| <b>Monitoring of water quality and testing</b>                                                                                                                                 | Monthly                          |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF

**Table 28– Table SA8: Performance indicators and benchmarks.**

**NC451 Joe Morolong - Supporting Table SA8 Performance indicators and benchmarks**

| K41 See Monitoring - Supporting Table SAO Performance Indicators and Benchmarks |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| Description of financial indicator                                              | Basis of calculation                                                                          | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|                                                                                 |                                                                                               | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b><u>Borrowing Management</u></b>                                              |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Credit Rating                                                                   |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Capital Charges to Operating Expenditure                                        | Interest & Principal Paid /Operating Expenditure                                              | 0.9%            | 0.9%            | 1.6%            | 0.5%                 | 0.4%            | 0.4%               | 0.0%              | 0.1%                                                | 0.1%                   | 0.1%                   |
| Capital Charges to Own Revenue                                                  | Finance charges & Repayment of borrowing /Own Revenue                                         | 2.1%            | 5.6%            | 5.8%            | 2.0%                 | 1.1%            | 1.1%               | 0.0%              | 0.5%                                                | 0.5%                   | 0.5%                   |
| Borrowed funding of 'own' capital expenditure                                   | Borrowing/Capital expenditure ex cl. transfers and grants and contributions                   | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| <b><u>Safety of Capital</u></b>                                                 |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Gearing                                                                         | Long Term Borrowing/ Funds & Reserves                                                         | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| <b><u>Liquidity</u></b>                                                         |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Current Ratio                                                                   | Current assets/current liabilities                                                            | 1.4             | 0.0             | 0.8             | 85.4                 | 139.9           | 139.9              | –                 | 507.4                                               | 579.3                  | 646.9                  |
| Current Ratio adjusted for aged debtors                                         | Current assets less debtors > 90 days/current liabilities                                     | 1.4             | 0.0             | 0.8             | 85.4                 | 139.9           | 139.9              | –                 | 507.4                                               | 579.3                  | 646.9                  |
| Liquidity Ratio                                                                 | Monetary Assets/Current Liabilities                                                           | –               | –               | 0.0             | 22.8                 | 27.3            | 27.3               | –                 | 118.6                                               | 145.8                  | 164.8                  |
| <b><u>Revenue Management</u></b>                                                |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                                | Last 12 Mths Receipts/Last 12 Mths Billing                                                    |                 | 62.8%           | 36.0%           | 14.7%                | 95.0%           | 96.1%              | 96.1%             | 0.0%                                                | 81.7%                  | 81.7%                  |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)  |                                                                                               | 62.8%           | 36.0%           | 14.7%           | 95.0%                | 96.1%           | 96.1%              | 0.0%              | 81.7%                                               | 81.7%                  | 81.7%                  |
| Outstanding Debtors to Revenue                                                  | Total Outstanding Debtors to Annual Revenue                                                   | 24.8%           | 2.2%            | 46.6%           | 26.6%                | 36.8%           | 36.8%              | 0.0%              | 35.9%                                               | 36.4%                  | 37.0%                  |
| Longstanding Debtors Recovered                                                  | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old                                     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b><u>Creditors Management</u></b>                                              |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Creditors System Efficiency                                                     | % of Creditors Paid Within Terms (within MFMA' s 65(e))                                       | 100.0%          | 100.0%          | 100.0%          | 100.0%               | 100.0%          | 100.0%             | 100.0%            | 100.0%                                              | 100.0%                 | 100.0%                 |
| Creditors to Cash and Investments                                               |                                                                                               | 471.0%          | -1799.1%        | -220.6%         | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| <b><u>Other Indicators</u></b>                                                  |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
|                                                                                 | Total Volume Losses (kW)                                                                      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
|                                                                                 | Total Cost of Losses (Rand '000)                                                              |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Electricity Distribution Losses (2)                                             | % Volume (units purchased and generated less units sold)/units purchased and generated        |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
|                                                                                 | Total Volume Losses (kℓ)                                                                      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
|                                                                                 | Total Cost of Losses (Rand '000)                                                              |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Water Distribution Losses (2)                                                   | % Volume (units purchased and generated less units sold)/units purchased and generated        |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee costs                                                                  | Employee costs/(Total Revenue - capital revenue)                                              | 20.2%           | 29.5%           | 38.2%           | 33.0%                | 31.7%           | 31.7%              | 0.0%              | 38.1%                                               | 37.9%                  | 37.8%                  |
| Remuneration                                                                    | Total remuneration/(Total Revenue - capital revenue)                                          | 23.4%           | 36.5%           | 0.0%            | 38.9%                | 37.4%           | 37.4%              |                   | 44.3%                                               | 44.1%                  | 43.9%                  |
| Repairs & Maintenance                                                           | R&M/(Total Revenue excluding capital revenue)                                                 | 4.8%            | 15.9%           | 0.7%            | 3.1%                 | 3.6%            | 3.6%               |                   | 3.2%                                                | 3.3%                   | 3.3%                   |
| Finance charges & Depreciation                                                  | FC&D/(Total Revenue - capital revenue)                                                        | 11.4%           | 31.6%           | 8.0%            | 6.4%                 | 5.7%            | 5.7%               | 0.0%              | 9.9%                                                | 11.7%                  | 12.4%                  |
| <b><u>IDP regulation financial viability indicators</u></b>                     |                                                                                               |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| i. Debt coverage                                                                | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 19.1            | 22.9            | 1,044.0         | 6.2                  | 6.2             | 6.2                | –                 | 65.4                                                | 66.4                   | 71.6                   |
| ii. O/S Service Debtors to Revenue                                              | Total outstanding service debtors/annual revenue received for services                        | 177.5%          | 10.0%           | 186.9%          | 115.2%               | 141.7%          | 141.7%             | 0.0%              | 131.2%                                              | 133.0%                 | 134.4%                 |
| iii. Cost coverage                                                              | (Available cash + Investments)/monthly fixed operational expenditure                          | 6.6             | (0.3)           | (2.2)           | 2.3                  | (0.0)           | (0.0)              | –                 | 2.7                                                 | 2.9                    | 3.2                    |

## **Borrowing Management**

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, municipality borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Capital charges to own revenue* is a measure of the cost of borrowing in relation to the municipality's own revenue.

## **Revenue Management**

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

## **Creditors Management**

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure more than 95 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.



## Other Indicators

- Employee costs as a percentage of operating revenue fluctuate over the 2018/19 MTREF.
- Repairs and maintenance as percentage of operating revenue fluctuate over the 2018/19 MTREF.

## **2.8 OVERVIEW BUDGET RELATED POLICIES**

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### **a) Budget, Funding, Reserves and Virement Policy**

The policy aim to set out; the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget, responsibilities of the mayor , the accounting officer , the chief financial officer and other senior managers in compiling the budget and to establish and maintain procedures to ensure adherence Joe Morolong Municipality's IDP review and budget processes.

### **b) Banking and Investment Policy**

The policy aim to gain the optimal return on banking and investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

### **c) Credit Control and Debt Collection Policy**

The policy aim to maximize revenue by timeously collecting all moneys owed to the municipality; ensure that action are taken to recover arrear debt is warranted and fair; to enable Joe Morolong Local Municipality to develop and maintain a sustainable service delivery relationship with its customers; to deliver excellent service to the communities of Joe Morolong Local Municipality in return for payment of their rates and service accounts and encourage and inculcate the culture of payment.

The municipality has registered with the Windeed which will assist in data cleansing and the credit worthiness check of consumers when they apply for the municipal services.

## **Tariffs Policy**

The policy aim to empower council with among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. To determine fair, transparent and affordable charges based on its economic regions and their impact on local economic development.

### **d) Fruitless and Wasteful Expenditure Policy**

The policy aim to provide for measures to identify unauthorised, irregular or fruitless and wasteful expenditure; provide for frameworks to avoid of any irregular expenditure or any fruitless and wasteful expenditure; provide for recovery of irregular expenditure or any fruitless and wasteful expenditure and to provide for reporting on any irregular expenditure or any fruitless and wasteful expenditure.

### **e) Supply Chain Management Policy**

The policy aim to ensure sound, sustainable and accountable supply chain management practices within the municipality, whilst promoting black economic empowerment as a priority in terms of the goals and objectives of the municipality's preferential procurement policy.

The above policies will be available on the municipal website ([www.joemorolong.gov.za](http://www.joemorolong.gov.za)) as well as the following:

- Property Rates policy
- Fixed Assets policy
- Indigent Policy
- Risk Management Policy
- Cash Shortage Policy
- Bad Debt Written Off Policy
- Asset Management Policy
- Petty Cash Policy

## **2.9 Overview of budget assumptions**

### **a) Inflation**

There are some factors that have been taken into consideration in the compilation of the 2018/19 budget:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipal residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 39.9 per cent of total operating expenditure in the 2018/19 MTREF. The wage agreement has not yet been concluded between SALGBC and municipal workers unions which can be a little risky based on the previous agreements that was signed.

### **b) Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection currently has been budgeted at 90 per cent of annual billings for rates, services, rents, and for other revenue. The performance of arrear collections have been budgeted at 90 per cent collection for 2018/19 MTREF.

### **c) Salary increases**

The wage agreement has not yet been concluded between SALGBC and municipal workers unions which can be a little risky based on the previous agreements that was signed. The municipality has budgeted salary increase of 6.0 percent and in case the agreement will be below the budgeted increase,

this will be good as it will be the additional money available on improving of service delivery.

**d) Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- EPWP and LED through the capital projects
- Provision of clean water
- Sanitation
- Electricity; and
- Decent housing

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

**e) Ability of the municipality to spend and deliver on the programmes**

It is estimated that spending rate at an average of at least 98 per cent is to be achieved on operating expenditure and average of 99 per cent on the capital programme for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

## 2.10 Overview of budget funding

### a) Operating Revenue

The following table is a breakdown of the operating revenue over medium term:

**Table 29 – Breakdown of the operating revenue over medium term**

| R thousand                                                           | Budget Year 2018/19 | %   | Budget Year +1<br>2019/20 | %   | Budget Year +2<br>2020/21 | %   |
|----------------------------------------------------------------------|---------------------|-----|---------------------------|-----|---------------------------|-----|
| <b>Revenue By Source</b>                                             |                     |     |                           |     |                           |     |
| Property rates                                                       | 32,396              | 17% | 34,178                    | 17% | 36,058                    | 17% |
| Service charges - electricity revenue                                | 4,734               | 3%  | 6,026                     | 3%  | 7,670                     | 4%  |
| Service charges - water revenue                                      | 11,198              | 6%  | 11,814                    | 6%  | 12,464                    | 6%  |
| Service charges - sanitation revenue                                 | 2,103               | 1%  | 2,218                     | 1%  | 2,340                     | 1%  |
| Service charges - refuse revenue                                     | 1,211               | 1%  | 1,277                     | 1%  | 1,347                     | 1%  |
| Rental of facilities and equipment                                   | 136                 | 0%  | 144                       | 0%  | 151                       | 0%  |
| Interest earned - external investments                               | 1,000               | 1%  | 1,055                     | 1%  | 1,113                     | 1%  |
| Agency services                                                      | 10                  | 0%  | 11                        | 0%  | 11                        | 0%  |
| Transfers and subsidies                                              | 133,935             | 71% | 144,083                   | 71% | 154,410                   | 72% |
| Other revenue                                                        | 2,388               | 1%  | 2,441                     | 1%  | –                         | 0%  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>189,111</b>      |     | <b>203,246</b>            |     | <b>215,565</b>            |     |
| <b>Total Expenditure</b>                                             | <b>184,924</b>      |     | <b>200,474</b>            |     | <b>214,904</b>            |     |
| Surplus/(Deficit)                                                    | 4,187               | –   | 2,772                     | –   | 661                       | –   |

Tariff setting plays a major role in ensuring the desired level of revenue, even though the municipality is still dependent on grants. Getting the tariff setting right assist in the compilation of credible and funded budget. The municipality derives its operational revenue from provision of services namely: water, electricity, sanitation and solid waste removal including property rates. The operational grants plays a major role in the municipal budget funding.

### b) Capital Revenue

The following table is a breakdown of the capital revenue over medium term:

**Table 30 – Breakdown of the capital funding over medium term**

| R thousand                            | Budget Year 2018/19 | %             | Budget Year +1<br>2019/20 | %             | Budget Year +2<br>2020/21 | %             |
|---------------------------------------|---------------------|---------------|---------------------------|---------------|---------------------------|---------------|
| <b>Funded by:</b>                     |                     |               |                           |               |                           |               |
| National Government                   | 113,868             | 93.65%        | 107,916                   | 94.7%         | 166,933                   | 96.3%         |
| Provincial Government                 | 10                  | 0.01%         |                           | 0.0%          |                           | 0.0%          |
| District Municipality                 |                     |               |                           | 0.0%          |                           | 0.0%          |
| Other transfers and grants            |                     |               |                           | 0.0%          |                           | 0.0%          |
| <b>Transfers recognised - capital</b> | <b>113,878</b>      | <b>93.66%</b> | <b>107,916</b>            | <b>94.7%</b>  | <b>166,933</b>            | <b>96.3%</b>  |
| Public contributions & donations      |                     |               |                           | 0.0%          |                           | 0.0%          |
| Borrowing                             |                     |               |                           | 0.0%          |                           | 0.0%          |
| Internally generated funds            | 7,712               | 6.34%         | 6,019                     | 5.3%          | 6,350                     | 3.7%          |
| <b>Total Capital Funding</b>          | <b>121,590</b>      | <b>100%</b>   | <b>113,935</b>            | <b>100.0%</b> | <b>173,283</b>            | <b>100.0%</b> |

Capital grants and receipts equates to 94% of the total funding source which represents R122 Million for the 2018/19 financial year and steadily decrease to R113.9 million

**Table 31 – Table SA18: Breakdown of the capital funding over medium term**

**NC451 Joe Morolong - Supporting Table SA18 Transfers and grant receipts**

| Description                                     | Ref  | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                 |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>RECEIPTS:</b>                                | 1, 2 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Capital Transfers and Grants</b>             |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                     |      | 124,044         | 138,449         | 143,023         | 106,060              | 106,060         | 106,060            | 116,324                                             | 110,025                | 168,846                |
| Municipal Infrastructure Grant (MIG)            |      | 57,058          | 63,599          | 57,839          | 61,060               | 61,060          | 61,060             | 58,824                                              | 60,025                 | 63,346                 |
| Regional Bulk Infrastructure                    |      | 5,017           | 14,850          |                 |                      |                 |                    |                                                     |                        |                        |
| Municipal Water Infrastructure Grant            |      | 50,000          | 60,000          |                 |                      |                 |                    |                                                     |                        |                        |
| EPWP                                            |      | 1,969           |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Operation and Subsidy Grant               |      | 10,000          |                 | 85,184          | 45,000               | 45,000          | 45,000             | 57,500                                              | 50,000                 | 105,500                |
| Water Services Infrastructure Grant             |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Provincial Government:</b>                   |      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>District Municipality:</b>                   |      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <i>[insert description]</i>                     |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                   |      | -               | -               | 13,934          | -                    | -               | -                  | -                                                   | -                      | -                      |
| <i>South 32 Mine0</i>                           |      |                 |                 | 13,934          |                      |                 |                    |                                                     |                        |                        |
| <b>Total Capital Transfers and Grants</b>       | 5    | 124,044         | 138,449         | 156,957         | 106,060              | 106,060         | 106,060            | 116,324                                             | 110,025                | 168,846                |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b> |      | 230,802         | 281,514         | 286,293         | 232,446              | 231,696         | 231,696            | 250,259                                             | 254,108                | 323,256                |

### c) Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below provides understanding for Councillors and management. Some specific feature includes:

- Clear separation of receipts and payment by category
- Clear separation of government capital and operating receipts, which enables cash from ratepayers and other; to be provided for as cash inflow based on their actual performance and assist in determining collection rate for the municipality.
- Separation of borrowing and loan repayments.

The table below shows that cash and cash equivalent of the municipality. The 2018/19 MTREF show a steadily increase in cash and cash equivalent at the end of financial years. The budgeted cash flow for 2018/19 provide for a net increase in cash of R 27.5 million resulting in an overall projected positive cash position of R 29.2 million.

**Table 32 – Table A7: Budgeted cash flow management**

**NC451 Joe Morolong - Table A7 Budgeted Cash Flows**

| Description<br>R thousand                         | Ref | 2014/15          | 2015/16          | 2016/17          | Current Year 2017/18 |                  |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Property rates                                    |     | 8,989            |                  |                  | 12,401               | 25,371           | 25,371             |                   | 25,917                                              | 27,342                 | 28,846                 |
| Service charges                                   |     | 11,545           | 14,869           | 6,235            | 24,456               | 20,984           | 20,984             |                   | 16,295                                              | 18,016                 | 20,057                 |
| Other revenue                                     |     | 85,346           | 482              |                  | 811                  | 1,833            | 1,833              |                   | 2,022                                               | 2,039                  | 2,151                  |
| Government - operating                            | 1   | 96,758           | 118,229          | 118,680          | 127,801              | 127,051          | 127,051            |                   | 133,935                                             | 115,266                | 123,528                |
| Government - capital                              | 1   | 116,771          | 118,420          | 167,613          | 103,007              | 103,007          | 103,007            |                   | 116,324                                             | 110,025                | 168,846                |
| Interest                                          |     | 1,155            | 2,706            | 2,042            | 55                   | 6,431            | 6,431              |                   | 1,000                                               | 844                    | 890                    |
| Dividends                                         |     |                  |                  |                  |                      |                  |                    |                   | –                                                   | –                      | –                      |
| <b>Payments</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Suppliers and employees                           |     | (127,083)        | (91,608)         | (135,866)        | (137,187)            | (139,057)        | (139,057)          |                   | (141,837)                                           | (150,659)              | (160,091)              |
| Finance charges                                   |     | (202)            | (3,664)          | (3,000)          | (784)                | (656)            | (656)              |                   | (269)                                               | (284)                  | (300)                  |
| Transfers and Grants                              | 1   | (18,379)         | (52,992)         | (25,225)         | (5,143)              | (4,043)          | (4,043)            |                   | (4,215)                                             | (4,447)                | (4,691)                |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     | <b>174,898</b>   | <b>106,443</b>   | <b>130,480</b>   | <b>125,416</b>       | <b>140,922</b>   | <b>140,922</b>     | <b>–</b>          | <b>149,171</b>                                      | <b>118,143</b>         | <b>179,237</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Proceeds on disposal of PPE                       |     |                  |                  |                  |                      |                  |                    |                   | –                                                   | –                      | –                      |
| Decrease (Increase) in non-current debtors        |     |                  |                  |                  |                      |                  |                    |                   | –                                                   | –                      | –                      |
| Decrease (increase) other non-current receivables |     |                  |                  |                  |                      |                  |                    |                   | –                                                   | –                      | –                      |
| Decrease (increase) in non-current investments    |     | 362              |                  | (18,145)         |                      |                  |                    |                   | –                                                   | –                      | –                      |
| <b>Payments</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Capital assets                                    |     | (181,312)        | (127,184)        | (133,492)        | (114,264)            | (114,613)        | (114,613)          |                   | (121,590)                                           | (113,935)              | (173,283)              |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     | <b>(180,951)</b> | <b>(127,184)</b> | <b>(151,637)</b> | <b>(114,264)</b>     | <b>(114,613)</b> | <b>(114,613)</b>   | <b>–</b>          | <b>(121,590)</b>                                    | <b>(113,935)</b>       | <b>(173,283)</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Short term loans                                  |     |                  |                  |                  |                      |                  |                    |                   | –                                                   | –                      | –                      |
| Borrowing long term/refinancing                   |     |                  |                  |                  |                      |                  |                    |                   | –                                                   | –                      | –                      |
| Increase (decrease) in consumer deposits          |     |                  |                  |                  |                      |                  |                    |                   | –                                                   | –                      | –                      |
| <b>Payments</b>                                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Repayment of borrowing                            |     | (638)            | 649              | (327)            |                      |                  |                    |                   | –                                                   | –                      | –                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  |     | <b>(638)</b>     | <b>649</b>       | <b>(327)</b>     | <b>–</b>             | <b>–</b>         | <b>–</b>           | <b>–</b>          | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      |     | <b>(6,691)</b>   | <b>(20,092)</b>  | <b>(21,485)</b>  | <b>11,152</b>        | <b>26,308</b>    | <b>26,308</b>      | <b>–</b>          | <b>27,582</b>                                       | <b>4,208</b>           | <b>5,954</b>           |
| Cash/cash equivalents at the year begin:          | 2   | <b>15,216</b>    | <b>15,431</b>    | <b>(5,228)</b>   | <b>12,377</b>        | <b>(26,713)</b>  | <b>(26,713)</b>    |                   | <b>2,340</b>                                        | <b>29,922</b>          | <b>34,130</b>          |
| Cash/cash equivalents at the year end:            | 2   | <b>8,525</b>     | <b>(4,661)</b>   | <b>(26,713)</b>  | <b>23,529</b>        | <b>(405)</b>     | <b>(405)</b>       | <b>–</b>          | <b>29,922</b>                                       | <b>34,130</b>          | <b>40,084</b>          |



**Table 33 – Table SA10: Funding Compliance Measurement**

NC451 Joe Morolong Supporting Table SA10 Funding measurement

| Description                                                   | MFMA section | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------------------|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                               |              |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Funding measures</b>                                       |              |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash/cash equivalents at the year end - R'000                 | 18(1)b       | 1   | 8,525           | (4,661)         | (26,713)        | 23,529               | (405)           | (405)              | –                 | 29,922                                              | 34,130                 | 40,084                 |
| Cash + investments at the yr end less applications - R'000    | 18(1)b       | 2   | 121,455         | (83,749)        | (79,499)        | 60,500               | 76,015          | 76,015             | –                 | 78,576                                              | 88,781                 | 97,913                 |
| Cash year end/monthly employee/supplier payments              | 18(1)b       | 3   | 6.6             | (0.3)           | (2.2)           | 2.3                  | (0.0)           | (0.0)              | –                 | 2.7                                                 | 2.9                    | 3.2                    |
| Surplus/(Deficit) excluding depreciation offsets: R'000       | 18(1)        | 4   | 210,579         | 1,393           | 131,933         | 111,113              | 114,589         | 114,716            | –                 | 120,511                                             | 112,797                | 172,082                |
| Service charge rev % change - macro CPI target exclusive      | 18(1)a,(2)   | 5   | N.A.            | 20.6%           | (3.1%)          | (14.9%)              | 18.3%           | (6.0%)             | (106.0%)          | 1.1%                                                | 1.5%                   | 1.9%                   |
| Cash receipts % of Ratepayer & Other revenue                  | 18(1)a,(2)   | 6   | 278.0%          | 29.8%           | 11.3%           | 94.8%                | 84.9%           | 84.9%              | 0.0%              | 81.6%                                               | 81.6%                  | 81.5%                  |
| Debt impairment expense as a % of total billable revenue      | 18(1)a,(2)   | 7   | (183.1%)        | 191.6%          | 0.0%            | 8.0%                 | 6.4%            | 6.4%               | 0.0%              | 9.2%                                                | 9.0%                   | 8.8%                   |
| Capital payments % of capital expenditure                     | 18(1)c,19    | 8   | 138.3%          | 70.0%           | 100.0%          | 100.0%               | 100.2%          | 100.2%             | 0.0%              | 100.0%                                              | 100.0%                 | 100.0%                 |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c       | 9   | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| Grants % of Govt. legislated/gazetted allocations             | 18(1)a       | 10  |                 |                 |                 |                      |                 |                    |                   | 100.0%                                              | 100.0%                 | 100.0%                 |
| Current consumer debtors % change - incr(decr)                | 18(1)a       | 11  | N.A.            | (92.8%)         | 1819.2%         | (43.7%)              | 52.3%           | 0.0%               | (100.0%)          | (0.8%)                                              | 9.0%                   | 9.0%                   |
| Long term receivables % change - incr(decr)                   | 18(1)a       | 12  | N.A.            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| R&M % of Property Plant & Equipment                           | 20(1)(vi)    | 13  | 0.9%            | 1.8%            | 0.1%            | 0.3%                 | 0.4%            | 0.4%               | 0.0%              | 0.3%                                                | 0.3%                   | 0.3%                   |
| Asset renewal % of capital budget                             | 20(1)(vi)    | 14  | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 10.3%                                               | 11.0%                  | 14.4%                  |

## Cash and Cash equivalents

The municipality's cash position was discussed as part of the budgeted cash flow statement. If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2016/17 shows R 29.2 million,

## Cash and Investments less applications

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. A positive" cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

### **Cash at year end/monthly employee and supplier payments**

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. Remarkably, the ratio has been fluctuating for the period 2016/17 to 2017/18 moving from 1.2 to (2.2) with the adopted 2017/18 outcome. In 2018/19 adopted budget the ratio was at positive and after revised budget increased to 2.0, as part of the 2016/17 MTREF the municipality continues to strive in improve cash position though the ratio to move downwards to 1.8 and then continue to increase over the MTREF. As indicated above the municipality will be able to cover the municipality's employee and supplier payments.

### **Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year..

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

### **Service charge revenue as a percentage increase less macro inflation target**

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in revenue, which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage increase to 17.9 then decreases slightly to 1.8 then increase to 1.9 per cent for the respective two outer financial years. The increase in revenue is as results of property rate which was informed by the updated valuation roll whereby the rates revenue decreased by 34 per cent in 2018/19 financial year. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 5.2 per cent, with the increase in water at 5.2 per cent. This trend will have to be carefully monitored and managed with the implementation of the budget.

### **Cash receipts as a percentage of ratepayer and other revenue**

This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 90 per cent for each of the respective financial years. It must be noted that service charges, property rate and rent is calculated at the collection rate of 90 per cent.

In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be precisely managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

### **Debt Impairment expense as % of billable revenue**

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 5.0, 4.9 and 4.8 per cent over the MTREF.

### **Capital payments percentage of capital expenditure**

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

### **Borrowing Receipts % of Capital Expenditure**

The purpose of this measurement is to determine the proportion of a municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. The municipality will not be utilizing external borrowing for any of its capital projects and therefore the ratio is 0%.

### **Transfers / Grants Revenue as a % of Government Grants Available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

### **Current Consumer Debtors % change**

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. The municipality is currently data cleansing which will reduce the debtor's arrears. The consumer will increase by 4.0 percent for 2015/16 then 4.9 percent for the outer years.

## **Repairs and Maintenance expenditure levels**

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

## **Asset renewal as % of capital budget**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability.

## 2.11 Expenditure on grants and reconciliations of unspent funds

**Table 34 – Table SA19 - Expenditure on transfers and grants programmes**

NC451 Joe Morolong - Supporting Table SA19 Expenditure on transfers and grant programme

| Description                                                 | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                             |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>EXPENDITURE:</b>                                         | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Operating expenditure of Transfers and Grants</u></b> |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                 |     | 105,789         | 142,694         | 117,851         | 124,748              | 123,998         | 123,998            | 132,297                                             | 142,445                | 153,002                |
| Local Government Equitable Share                            |     | 93,255          | 115,253         | 115,068         | 121,603              | 121,603         | 121,603            | 128,635                                             | 139,765                | 149,890                |
| Water Services Operating Subsidy                            |     | 10,000          | 22,500          |                 |                      | –               | –                  |                                                     |                        |                        |
| Finance Management                                          |     | 1,600           | 1,675           | 1,742           | 2,145                | 2,145           | 2,145              | 2,215                                               | 2,680                  | 3,112                  |
| Municipal Systems Improvement                               |     | 934             | 930             |                 | 1,000                | 250             | 250                |                                                     |                        |                        |
| EPWP Incentive                                              |     |                 | 2,336           | 1,041           |                      | –               | –                  | 1,447                                               |                        |                        |
| Other transfers/grants [insert description]                 |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Provincial Government:</b>                               |     | 969             | 371             | 11,485          | 1,638                | 1,638           | 1,638              | 1,638                                               | 1,638                  | 1,408                  |
| Sport and Recreation                                        |     | 969             | 371             | 1,870           | 1,638                | 1,638           | 1,638              | 1,638                                               | 1,638                  | 1,408                  |
| Housing                                                     |     |                 |                 | 9,615           |                      |                 |                    |                                                     |                        |                        |
| <b>District Municipality:</b>                               |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| [insert description]                                        |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                               |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| [insert description]                                        |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total operating expenditure of Transfers and Grants:</b> |     | 106,758         | 143,065         | 129,336         | 126,386              | 125,636         | 125,636            | 133,935                                             | 144,083                | 154,410                |
| <b><u>Capital expenditure of Transfers and Grants</u></b>   |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                 |     | 124,044         | 138,449         | 143,023         | 106,060              | 106,060         | 106,060            | 116,324                                             | 110,025                | 168,846                |
| Municipal Infrastructure Grant (MIG)                        |     | 57,058          | 63,599          | 57,839          | 61,060               | 61,060          | 61,060             | 58,824                                              | 60,025                 | 63,346                 |
| Regional Bulk Infrastructure                                |     | 5,017           | 14,850          |                 |                      |                 |                    |                                                     |                        |                        |
| Municipal Water Infrastructure Grant                        |     | 50,000          | 60,000          |                 |                      |                 |                    |                                                     |                        |                        |
| EPWP                                                        |     | 1,969           |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Operation and Subsidy Grant                           |     | 10,000          |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Services Infrastructure Grant                         |     |                 |                 | 85,184          | 45,000               | 45,000          | 45,000             | 57,500                                              | 50,000                 | 105,500                |
| Other capital transfers/grants [insert desc]                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Provincial Government:</b>                               |     |                 |                 | 85,184          | 45,000               | 45,000          | 45,000             | 57,500                                              | 50,000                 | 105,500                |
| <b>District Municipality:</b>                               |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| [insert description]                                        |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                               |     | –               | –               | 13,934          | –                    | –               | –                  | –                                                   | –                      | –                      |
| South 32 Mine0                                              |     |                 |                 | 13,934          |                      |                 |                    |                                                     |                        |                        |
| <b>Total capital expenditure of Transfers and Grants</b>    |     | 124,044         | 138,449         | 242,141         | 151,060              | 151,060         | 151,060            | 173,824                                             | 160,025                | 274,346                |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>            |     | 230,802         | 281,514         | 371,477         | 277,446              | 276,696         | 276,696            | 307,759                                             | 304,108                | 428,756                |

**Table35- SA21- Allocation and grants made by the municipality**

**NC451 Joe Morolong - Supporting Table SA21 Transfers and grants made by the municipality**

| Description<br><br>R thousand                                                                | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                              |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <u>Cash Transfers to other municipalities</u><br><i>Insert description</i>                   | 1   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Cash Transfers To Municipalities:</b>                                               |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Cash Transfers to Entities/Other External Mechanisms</u><br><i>Insert description</i>     | 2   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Cash Transfers To Entities/Ems'</b>                                                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Cash Transfers to other Organs of State</u><br><i>Insert description</i>                  | 3   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Cash Transfers To Other Organs Of State:</b>                                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Cash Transfers to Organisations</u><br><i>Insert description</i>                          |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Cash Transfers To Organisations</b>                                                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Cash Transfers to Groups of Individuals</u><br><i>Insert description</i>                  |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Cash Transfers To Groups Of Individuals:</b>                                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>TOTAL CASH TRANSFERS AND GRANTS</b>                                                       | 6   | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Non-Cash Transfers to other municipalities</u><br><i>Insert description</i>               | 1   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Non-Cash Transfers To Municipalities:</b>                                           |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Non-Cash Transfers to Entities/Other External Mechanisms</u><br><i>Insert description</i> | 2   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Non-Cash Transfers To Entities/Ems'</b>                                             |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Non-Cash Transfers to other Organs of State</u><br><i>Insert description</i>              | 3   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Non-Cash Transfers To Other Organs Of State:</b>                                    |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <u>Non-Cash Grants to Organisations</u>                                                      |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |

|                                                                  |   |        |        |        |       |       |       |   |       |       |       |
|------------------------------------------------------------------|---|--------|--------|--------|-------|-------|-------|---|-------|-------|-------|
| <i>Insert description</i>                                        | 4 |        |        |        |       |       |       |   |       |       |       |
| <b>Total Non-Cash Grants To Organisations</b>                    |   | –      | –      | –      | –     | –     | –     | – | –     | –     | –     |
| <b><u>Groups of Individuals</u></b><br><i>Insert description</i> | 5 | 18,379 | 55,407 | 25,225 | 5,143 | 4,043 | 4,043 |   | 4,215 | 4,447 | 4,691 |
| <b>Total Non-Cash Grants To Groups Of Individuals:</b>           |   | 18,379 | 55,407 | 25,225 | 5,143 | 4,043 | 4,043 | – | 4,215 | 4,447 | 4,691 |
| <b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>                       |   | 18,379 | 55,407 | 25,225 | 5,143 | 4,043 | 4,043 | – | 4,215 | 4,447 | 4,691 |
| <b>TOTAL TRANSFERS AND GRANTS</b>                                | 6 | 18,379 | 55,407 | 25,225 | 5,143 | 4,043 | 4,043 | – | 4,215 | 4,447 | 4,691 |



**Table 36 SA 22-Councillor and Staff benefits**

**NC451 Joe Morolong - Supporting Table SA22 Summary councillor and staff benefits**

| Summary of Employee and Councillor remuneration          | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                          |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand                                               |     | A               | B               | C               | D                    | E               | F                  | G                                                   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b> | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 |     | 5,536           | 5,869           |                 | 6,480                | 6,480           | 6,480              | 6,954                                               | 7,461                  | 8,006                  |
| Pension and UIF Contributions                            |     | –               | –               |                 | 972                  | 972             | 972                | 1,043                                               | 1,119                  | 1,201                  |
| Medical Aid Contributions                                |     | –               | –               |                 | –                    | –               | –                  |                                                     |                        |                        |
| Motor Vehicle Allowance                                  |     | 2,043           | 2,166           |                 | 2,261                | 2,261           | 2,261              | 2,926                                               | 3,140                  | 3,369                  |
| Cellphone Allowance                                      |     | 374             | 397             |                 | 710                  | 710             | 710                | 761                                                 | 817                    | 877                    |
| Housing Allowances                                       |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Other benefits and allowances                            |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Sub Total - Councillors</b>                           |     | <b>7,954</b>    | <b>8,431</b>    | <b>–</b>        | <b>10,423</b>        | <b>10,423</b>   | <b>10,423</b>      | <b>11,684</b>                                       | <b>12,537</b>          | <b>13,452</b>          |
| <b>% increase</b>                                        | 4   |                 | <b>6.0%</b>     | <b>(100.0%)</b> | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>12.1%</b>                                        | <b>7.3%</b>            | <b>7.3%</b>            |
| <b>Senior Managers of the Municipality</b>               | 2   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 |     | 3,152           | 2,894           |                 | 3,151                | 3,658           | 3,658              | 3,583                                               | 3,845                  | 4,125                  |
| Pension and UIF Contributions                            |     |                 |                 |                 | 561                  | 702             | 702                | 656                                                 | 704                    | 756                    |
| Medical Aid Contributions                                |     |                 |                 |                 | 160                  | 65              | 65                 | 191                                                 | 205                    | 220                    |
| Overtime                                                 |     |                 |                 |                 | –                    | –               | –                  |                                                     | –                      | –                      |
| Performance Bonus                                        |     |                 |                 |                 | –                    | –               | –                  |                                                     | –                      | –                      |
| Motor Vehicle Allowance                                  | 3   | 904             | 1,202           |                 | 1,771                | 1,382           | 1,382              | 1,483                                               | 1,591                  | 1,707                  |
| Cellphone Allowance                                      | 3   | 29              | 14              |                 | 110                  | 72              | 72                 | 122                                                 | 131                    | 141                    |
| Housing Allowances                                       | 3   | 818             | 235             |                 | 554                  | 980             | 980                | 1,052                                               | 1,128                  | 1,211                  |
| Other benefits and allowances                            | 3   | 498             | 626             |                 | 0                    | 1               | 1                  | 1                                                   | 1                      | 1                      |
| Payments in lieu of leave                                |     |                 |                 |                 | –                    | –               | –                  |                                                     | –                      | –                      |
| Long service awards                                      |     |                 |                 |                 | –                    | –               | –                  |                                                     |                        |                        |
| Post-retirement benefit obligations                      | 6   |                 |                 |                 | –                    | –               | –                  |                                                     |                        |                        |
| <b>Sub Total - Senior Managers of Municipality</b>       |     | <b>5,402</b>    | <b>4,971</b>    | <b>–</b>        | <b>6,308</b>         | <b>6,860</b>    | <b>6,860</b>       | <b>7,088</b>                                        | <b>7,606</b>           | <b>8,161</b>           |
| <b>% increase</b>                                        | 4   |                 | <b>(8.0%)</b>   | <b>(100.0%)</b> | <b>–</b>             | <b>8.8%</b>     | <b>–</b>           | <b>3.3%</b>                                         | <b>7.3%</b>            | <b>7.3%</b>            |
| <b>Other Municipal Staff</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 |     | 23,465          | 30,765          |                 | 29,358               | 30,799          | 30,799             | 42,451                                              | 45,517                 | 48,654                 |
| Pension and UIF Contributions                            |     | 4,516           | 1,179           |                 | 5,386                | 5,811           | 5,811              | 8,543                                               | 9,165                  | 9,814                  |
| Medical Aid Contributions                                |     | 2,825           | 3,178           |                 | 2,685                | 3,350           | 3,350              | 3,248                                               | 3,485                  | 3,728                  |
| Overtime                                                 |     | 1,698           | 1,766           |                 | 1,105                | 1,233           | 1,233              | 859                                                 | 919                    | 983                    |
| Performance Bonus                                        |     | 2,020           | 2,011           |                 | 2,498                | 2,341           | 2,341              | 3,621                                               | 3,882                  | 4,163                  |
| Motor Vehicle Allowance                                  | 3   | 4,774           | 7,159           |                 | 3,610                | 4,735           | 4,735              | 3,225                                               | 3,293                  | 3,465                  |
| Cellphone Allowance                                      | 3   | 403             | 500             |                 | 1,329                | 1,493           | 1,493              | 534                                                 | 573                    | 588                    |
| Housing Allowances                                       | 3   | 1,306           | 2,529           |                 | 2,537                | 1,949           | 1,949              | 1,963                                               | 2,107                  | 2,233                  |
| Other benefits and allowances                            | 3   | 408             | 5,419           |                 | 516                  | 612             | 612                | 499                                                 | 534                    | 573                    |
| Payments in lieu of leave                                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Long service awards                                      |     | 112             | 2,208           |                 |                      |                 |                    |                                                     |                        |                        |
| Post-retirement benefit obligations                      | 6   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Sub Total - Other Municipal Staff</b>                 |     | <b>41,527</b>   | <b>56,714</b>   | <b>–</b>        | <b>49,025</b>        | <b>52,323</b>   | <b>52,323</b>      | <b>64,944</b>                                       | <b>69,475</b>          | <b>74,201</b>          |
| <b>% increase</b>                                        | 4   |                 | <b>36.6%</b>    | <b>(100.0%)</b> | <b>–</b>             | <b>6.7%</b>     | <b>–</b>           | <b>24.1%</b>                                        | <b>7.0%</b>            | <b>6.8%</b>            |
| <b>Total Parent Municipality</b>                         |     | <b>54,882</b>   | <b>70,116</b>   | <b>–</b>        | <b>65,755</b>        | <b>69,605</b>   | <b>69,605</b>      | <b>83,716</b>                                       | <b>89,617</b>          | <b>95,814</b>          |
|                                                          |     |                 | <b>27.8%</b>    | <b>(100.0%)</b> | <b>–</b>             | <b>5.9%</b>     | <b>–</b>           | <b>20.3%</b>                                        | <b>7.0%</b>            | <b>6.9%</b>            |
| <b>Board Members of Entities</b>                         |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Sub Total - Board Members of Entities</b>             |     | <b>–</b>        | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |

|                                                |     |        |        |          |        |        |        |        |        |        |
|------------------------------------------------|-----|--------|--------|----------|--------|--------|--------|--------|--------|--------|
| % increase                                     | 4   |        | -      | -        | -      | -      | -      | -      | -      | -      |
| <b>Senior Managers of Entities</b>             |     |        |        |          |        |        |        |        |        |        |
| % increase                                     | 4   |        | -      | -        | -      | -      | -      | -      | -      | -      |
| <b>Other Staff of Entities</b>                 |     |        |        |          |        |        |        |        |        |        |
| <b>Total Municipal Entities</b>                |     | -      | -      | -        | -      | -      | -      | -      | -      | -      |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b> |     | 54,882 | 70,116 | -        | 65,755 | 69,605 | 69,605 | 83,716 | 89,617 | 95,814 |
| % increase                                     | 4   |        | 27.8%  | (100.0%) | -      | 5.9%   | -      | 20.3%  | 7.0%   | 6.9%   |
| <b>TOTAL MANAGERS AND STAFF</b>                | 5,7 | 46,929 | 61,684 | -        | 55,332 | 59,182 | 59,182 | 72,032 | 77,080 | 82,362 |

**Table 36- SA23 salaries, allowances & benefits**

**NC451 Joe Morolong - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

| Disclosure of Salaries, Allowances & Benefits 1.                     | Ref  | No. | Salary           | Contributions<br>1. | Allowances       | Performance<br>Bonuses | In-kind<br>benefits | Total<br>Package<br>2. |
|----------------------------------------------------------------------|------|-----|------------------|---------------------|------------------|------------------------|---------------------|------------------------|
| Rand per annum                                                       |      |     |                  |                     |                  |                        |                     |                        |
| <b><u>Councillors</u></b>                                            | 3    |     |                  |                     |                  |                        |                     |                        |
| Speaker                                                              | 4    |     | 382,826          | 274,593             | 187,206          |                        |                     | 844,625                |
| Chief Whip                                                           |      |     | 358,550          | 121,274             | 177,686          |                        |                     | 657,510                |
| Executive Mayor                                                      |      |     | 564,620          | 274,593             | 28,327           |                        |                     | 867,540                |
| Deputy Executive Mayor                                               |      |     |                  |                     |                  |                        |                     | –                      |
| Executive Committee                                                  |      |     | 1,075,650        | 400,498             | 533,059          |                        |                     | 2,009,207              |
| Total for all other councillors                                      |      |     | 3,695,514        | 2,086,811           | 1,522,686        |                        |                     | 7,305,011              |
| <b>Total Councillors</b>                                             | 8    | –   | <b>6,077,159</b> | <b>3,157,770</b>    | <b>2,448,965</b> |                        |                     | <b>11,683,894</b>      |
| <b><u>Senior Managers of the Municipality</u></b>                    | 5    |     |                  |                     |                  |                        |                     |                        |
| Municipal Manager (MM)                                               |      |     | 805,610          | 147,031             | 587,982          |                        |                     | 1,540,622              |
| Chief Finance Officer                                                |      |     | 548,438          | 420,813             | 100,740          |                        |                     | 1,069,991              |
|                                                                      |      |     |                  |                     |                  |                        |                     | –                      |
|                                                                      |      |     |                  |                     |                  |                        |                     | –                      |
|                                                                      |      |     |                  |                     |                  |                        |                     | –                      |
| <i>List of each official with packages &gt;= senior manager</i>      |      |     |                  |                     |                  |                        |                     |                        |
| DIRECTOR: CORPORATE SERVICES                                         |      |     | 537,480          | 431,771             | 98,768           |                        |                     | 1,068,019              |
| DIRECTOR COMMUNITY SERVICES                                          |      |     | 580,617          | 388,634             | 106,532          |                        |                     | 1,075,784              |
| DIRECTOR TECHNICAL SERVICES                                          |      |     | 563,323          | 405,928             | 103,419          |                        |                     | 1,072,671              |
| DIRECTOR: PLANNING & DEVELOPMENT                                     |      |     | 547,777          | 421,474             | 100,621          |                        |                     | 1,069,872              |
| <b>Total Senior Managers of the Municipality</b>                     | 8,10 | –   | <b>3,583,245</b> | <b>2,215,652</b>    | <b>1,098,062</b> | –                      |                     | <b>6,896,959</b>       |
| <b><u>A Heading for Each Entity</u></b>                              | 6,7  |     |                  |                     |                  |                        |                     |                        |
| List each member of board by designation                             |      |     |                  |                     |                  |                        |                     |                        |
| <b>Total for municipal entities</b>                                  | 8,10 | –   | –                | –                   | –                | –                      |                     | –                      |
|                                                                      |      |     |                  |                     |                  |                        |                     |                        |
| <b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b> | 10   | –   | <b>9,660,404</b> | <b>5,373,422</b>    | <b>3,547,027</b> | –                      |                     | <b>18,580,853</b>      |

**Table 35 – Table SA20 – Reconciliation of transfers, grants receipts and unspent funds**

**NC451 Joe Morolong - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

| Description                                             | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                         |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                                       |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Operating transfers and grants:</u></b>           | 1,3 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 105,789         | 142,694         | 117,851         | 124,748              | 123,998         | 123,998            | 132,297                                             | 142,445                | 153,002                |
| <b>Conditions met - transferred to revenue</b>          |     | 105,789         | 142,694         | 117,851         | 124,748              | 123,998         | 123,998            | 132,297                                             | 142,445                | 153,002                |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Provincial Government:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 969             | 371             | 11,485          | 1,638                | 1,638           | 1,638              | 1,638                                               | 1,638                  | 1,408                  |
| <b>Conditions met - transferred to revenue</b>          |     | 969             | 371             | 11,485          | 1,638                | 1,638           | 1,638              | 1,638                                               | 1,638                  | 1,408                  |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>District Municipality:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Conditions met - transferred to revenue</b>          |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Conditions met - transferred to revenue</b>          |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total operating transfers and grants revenue</b>     |     | 106,758         | 143,065         | 129,336         | 126,386              | 125,636         | 125,636            | 133,935                                             | 144,083                | 154,410                |
| <b>Total operating transfers and grants - CTBM</b>      | 2   | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b><u>Capital transfers and grants:</u></b>             | 1,3 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 124,044         | 138,449         | 143,023         | 106,060              | 106,060         | 106,060            | 116,324                                             | 110,025                | 168,846                |
| <b>Conditions met - transferred to revenue</b>          |     | 124,044         | 138,449         | 143,023         | 106,060              | 106,060         | 106,060            | 116,324                                             | 110,025                | 168,846                |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Provincial Government:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Conditions met - transferred to revenue</b>          |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>District Municipality:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Conditions met - transferred to revenue</b>          |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | -               | -               | 13,934          | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Conditions met - transferred to revenue</b>          |     | -               | -               | 13,934          | -                    | -               | -                  | -                                                   | -                      | -                      |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total capital transfers and grants revenue</b>       |     | 124,044         | 138,449         | 156,957         | 106,060              | 106,060         | 106,060            | 116,324                                             | 110,025                | 168,846                |
| <b>Total capital transfers and grants - CTBM</b>        | 2   | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>TOTAL TRANSFERS AND GRANTS REVENUE</b>               |     | 230,802         | 281,514         | 286,293         | 232,446              | 231,696         | 231,696            | 250,259                                             | 254,108                | 323,256                |
| <b>TOTAL TRANSFERS AND GRANTS - CTBM</b>                |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |

**Table 36 – Table SA 24 – Summary of personnel numbers**

NC451 Joe Morolong - Supporting Table SA24 Summary of personnel numbers

| Summary of Personnel Numbers                                  | Ref   | 2016/17    |                     |                    | Current Year 2017/18 |                     |                    | Budget Year 2018/19 |                     |                    |
|---------------------------------------------------------------|-------|------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Number                                                        | 1,2   | Positions  | Permanent employees | Contract employees | Positions            | Permanent employees | Contract employees | Positions           | Permanent employees | Contract employees |
| <b>Municipal Council and Boards of Municipal Entities</b>     |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Councillors (Political Office Bearers plus Other Councillors) | 4     | 29         |                     | 29                 | 29                   |                     | 29                 | 29                  |                     | 29                 |
| Board Members of municipal entities                           | 5     |            |                     |                    |                      |                     |                    |                     |                     |                    |
| <b>Municipal employees</b>                                    |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Municipal Manager and Senior Managers                         | 3     | 6          |                     | 6                  | 6                    |                     | 6                  | 1                   |                     | 1                  |
| Other Managers                                                | 7     | 12         | 12                  | –                  | 12                   | 12                  | –                  |                     |                     |                    |
| Professionals                                                 |       | 16         | 17                  | 7                  | 16                   | 17                  | 7                  | 1                   | 1                   | –                  |
| Finance                                                       |       | 6          | 7                   | 7                  | 6                    | 7                   | 7                  |                     |                     |                    |
| Spatial/town planning                                         |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Information Technology                                        |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Roads                                                         |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Electricity                                                   |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Water                                                         |       | 1          | –                   |                    | 1                    | –                   |                    | 1                   | 1                   |                    |
| Sanitation                                                    |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse                                                        |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Other                                                         |       | 9          | 10                  | –                  | 9                    | 10                  | –                  |                     |                     |                    |
| Technicians                                                   |       | 63         | 64                  | –                  | 64                   | 64                  | –                  | 153                 | 153                 | –                  |
| Finance                                                       |       | 1          |                     |                    | 1                    |                     |                    |                     |                     |                    |
| Spatial/town planning                                         |       | 1          | 1                   |                    | 1                    | 1                   |                    | 1                   | 1                   |                    |
| Information Technology                                        |       | 2          | 2                   |                    | 2                    | 2                   |                    | 2                   | 2                   |                    |
| Roads                                                         |       | 4          | 4                   |                    | 4                    | 4                   |                    |                     |                     |                    |
| Electricity                                                   |       |            |                     |                    |                      |                     |                    | 1                   | 1                   |                    |
| Water                                                         |       |            |                     |                    |                      |                     |                    | 1                   | 1                   |                    |
| Sanitation                                                    |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse                                                        |       | 56         | 57                  |                    | 56                   | 57                  |                    | 148                 | 148                 |                    |
| Other                                                         |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Clerks (Clerical and administrative)                          |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Service and sales workers                                     |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Skilled agricultural and fishery workers                      |       | 26         | 26                  |                    | 26                   | 26                  |                    |                     |                     |                    |
| Craft and related trades                                      |       | 90         | 90                  |                    | 90                   | 90                  |                    |                     |                     |                    |
| Plant and Machine Operators                                   |       |            |                     |                    |                      |                     |                    | 10                  | 10                  |                    |
| Elementary Occupations                                        |       |            |                     |                    |                      |                     |                    |                     |                     |                    |
| <b>TOTAL PERSONNEL NUMBERS</b>                                | 9     | <b>242</b> | <b>209</b>          | <b>42</b>          | <b>243</b>           | <b>209</b>          | <b>42</b>          | <b>194</b>          | <b>164</b>          | <b>30</b>          |
| <b>% increase</b>                                             |       |            |                     |                    | 0.3%                 | 0.1%                | (0.6%)             | (20.2%)             | (21.5%)             | (28.6%)            |
| <b>Total municipal employees headcount</b>                    | 6, 10 |            |                     |                    |                      |                     |                    |                     |                     |                    |
| Finance personnel headcount                                   | 8, 10 | 37         | 37                  | 5                  | 38                   | 38                  | 5                  | 28                  | 27                  | 1                  |
| Human Resources personnel headcount                           | 8, 10 | 20         | 20                  |                    | 21                   | 20                  |                    | 32                  | 27                  | 1                  |

## 2.12 Monthly targets for revenue, expenditure and cash flow

**Table 37 – Table SA 25 – Budgeted monthly revenue and expenditure**

NC451 Joe Morolong - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description                                                                                                                                                                                                            | Ref      | Budget Year 2018/19 |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 | Medium Term Revenue and Expenditure Framework |                        |                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                                                        |          | July                | August          | Sept.           | October         | November        | December      | January         | February        | March         | April           | May             | June            | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                                                                                                                                                                                                      |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| <b>Revenue By Source</b>                                                                                                                                                                                               |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| Property rates                                                                                                                                                                                                         |          | 32,396              |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | 32,396                                        | 34,178                 | 36,058                 |
| Service charges - electricity revenue                                                                                                                                                                                  |          | 394                 | 394             | 394             | 394             | 394             | 394           | 394             | 394             | 394           | 394             | 394             | 394             | 4,734                                         | 6,026                  | 7,670                  |
| Service charges - water revenue                                                                                                                                                                                        |          | 933                 | 933             | 933             | 933             | 933             | 933           | 933             | 933             | 933           | 933             | 933             | 933             | 11,198                                        | 11,814                 | 12,464                 |
| Service charges - sanitation revenue                                                                                                                                                                                   |          | 175                 | 175             | 175             | 175             | 175             | 175           | 175             | 175             | 175           | 175             | 175             | 175             | 2,103                                         | 2,218                  | 2,340                  |
| Service charges - refuse revenue                                                                                                                                                                                       |          | 101                 | 101             | 101             | 101             | 101             | 101           | 101             | 101             | 101           | 101             | 101             | 101             | 1,211                                         | 1,277                  | 1,347                  |
| Service charges - other                                                                                                                                                                                                |          | –                   | –               | –               | –               | –               | –             | –               | –               | –             | –               | –               | –               | –                                             | –                      | –                      |
| Rental of facilities and equipment                                                                                                                                                                                     |          | 11                  | 11              | 11              | 11              | 11              | 11            | 11              | 11              | 11            | 11              | 11              | 11              | 136                                           | 144                    | 151                    |
| Interest earned - external investments                                                                                                                                                                                 |          |                     |                 | 250             |                 |                 | 250           |                 |                 | 250           |                 | 250             | –               | 1,000                                         | 1,055                  | 1,113                  |
| Interest earned - outstanding debtors                                                                                                                                                                                  |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| Dividends received                                                                                                                                                                                                     |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| Fines, penalties and forfeits                                                                                                                                                                                          |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| Licences and permits                                                                                                                                                                                                   |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| Agency services                                                                                                                                                                                                        |          |                     |                 |                 | 1               | 1               | 1             | 1               | 1               | 1             | 1               | 1               | 1               | 10                                            | 11                     | 11                     |
| Transfers and subsidies                                                                                                                                                                                                |          | 68,075              |                 |                 |                 |                 | 39,025        | 819             |                 | 26,016        |                 |                 | –               | 133,935                                       | 144,083                | 154,410                |
| Other revenue                                                                                                                                                                                                          |          | 199                 | 199             | 199             | 199             | 199             | 199           | 199             | 199             | 199           | 199             | 199             | 199             | 2,388                                         | 2,441                  | 2,575                  |
| Gains on disposal of PPE                                                                                                                                                                                               |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b>                                                                                                                                                   |          | <b>102,285</b>      | <b>1,814</b>    | <b>2,064</b>    | <b>1,815</b>    | <b>1,815</b>    | <b>41,090</b> | <b>2,634</b>    | <b>1,815</b>    | <b>28,082</b> | <b>1,815</b>    | <b>2,065</b>    | <b>1,815</b>    | <b>189,111</b>                                | <b>203,246</b>         | <b>218,140</b>         |
| <b>Expenditure By Type</b>                                                                                                                                                                                             |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| Employee related costs                                                                                                                                                                                                 |          | 5,541               | 5,541           | 5,541           | 5,541           | 11,082          | 5,541         | 5,541           | 5,541           | 5,541         | 5,541           | 5,541           | 5,541           | 72,032                                        | 77,080                 | 82,362                 |
| Remuneration of councillors                                                                                                                                                                                            |          | 974                 | 974             | 974             | 974             | 974             | 974           | 974             | 974             | 974           | 974             | 974             | 974             | 11,684                                        | 12,537                 | 13,452                 |
| Debt impairment                                                                                                                                                                                                        |          | 396                 | 396             | 396             | 396             | 396             | 396           | 396             | 396             | 396           | 396             | 396             | 396             | 4,752                                         | 5,014                  | 5,289                  |
| Depreciation & asset impairment                                                                                                                                                                                        |          | 1,531               | 1,531           | 1,531           | 1,531           | 1,531           | 1,531         | 1,531           | 1,531           | 1,531         | 1,531           | 1,531           | 1,531           | 18,373                                        | 23,405                 | 26,834                 |
| Finance charges                                                                                                                                                                                                        |          | 22                  | 22              | 22              | 22              | 22              | 22            | 22              | 22              | 22            | 22              | 22              | 22              | 269                                           | 284                    | 300                    |
| Bulk purchases                                                                                                                                                                                                         |          | 1,178               | 1,178           | 1,178           | 1,178           | 1,178           | 1,178         | 1,178           | 1,178           | 1,178         | 1,178           | 1,178           | 1,178           | 14,131                                        | 14,909                 | 15,729                 |
| Other materials                                                                                                                                                                                                        |          | –                   | –               | –               | –               | –               | –             | –               | –               | –             | –               | –               | –               | –                                             | –                      | –                      |
| Contracted services                                                                                                                                                                                                    |          | 792                 | 792             | 792             | 792             | 792             | 792           | 792             | 792             | 792           | 792             | 792             | 792             | 9,500                                         | 10,023                 | 10,574                 |
| Transfers and subsidies                                                                                                                                                                                                |          | 351                 | 351             | 351             | 351             | 351             | 351           | 351             | 351             | 351           | 351             | 351             | 351             | 4,215                                         | 4,447                  | 4,691                  |
| Other expenditure                                                                                                                                                                                                      |          | 4,164               | 4,164           | 4,164           | 4,164           | 4,164           | 4,164         | 4,164           | 4,164           | 4,164         | 4,164           | 4,164           | 4,164           | 49,968                                        | 52,776                 | 55,674                 |
| Loss on disposal of PPE                                                                                                                                                                                                |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| <b>Total Expenditure</b>                                                                                                                                                                                               |          | <b>14,949</b>       | <b>14,949</b>   | <b>14,949</b>   | <b>14,949</b>   | <b>20,490</b>   | <b>14,949</b> | <b>14,949</b>   | <b>14,949</b>   | <b>14,949</b> | <b>14,949</b>   | <b>14,949</b>   | <b>14,949</b>   | <b>184,924</b>                                | <b>200,474</b>         | <b>214,904</b>         |
| <b>Surplus/(Deficit)</b>                                                                                                                                                                                               |          | <b>87,337</b>       | <b>(13,134)</b> | <b>(12,884)</b> | <b>(13,133)</b> | <b>(18,674)</b> | <b>26,141</b> | <b>(12,314)</b> | <b>(13,133)</b> | <b>13,133</b> | <b>(13,133)</b> | <b>(12,883)</b> | <b>(13,133)</b> | <b>4,187</b>                                  | <b>2,772</b>           | <b>3,236</b>           |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)                                                                                                                          |          | 58,162              |                 |                 |                 |                 | 34,897        |                 |                 | 23,265        |                 |                 | –               | 116,324                                       | 110,025                | 168,846                |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| Transfers and subsidies - capital (in-kind - all)                                                                                                                                                                      |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>                                                                                                                                                   |          | <b>145,499</b>      | <b>(13,134)</b> | <b>(12,884)</b> | <b>(13,133)</b> | <b>(18,674)</b> | <b>61,038</b> | <b>(12,314)</b> | <b>(13,133)</b> | <b>36,398</b> | <b>(13,133)</b> | <b>(12,883)</b> | <b>(13,133)</b> | <b>120,511</b>                                | <b>112,797</b>         | <b>172,082</b>         |
| Taxation                                                                                                                                                                                                               |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| Attributable to minorities                                                                                                                                                                                             |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| Share of surplus/ (deficit) of associate                                                                                                                                                                               |          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 | –               | –                                             | –                      | –                      |
| <b>Surplus/(Deficit)</b>                                                                                                                                                                                               | <b>1</b> | <b>145,499</b>      | <b>(13,134)</b> | <b>(12,884)</b> | <b>(13,133)</b> | <b>(18,674)</b> | <b>61,038</b> | <b>(12,314)</b> | <b>(13,133)</b> | <b>36,398</b> | <b>(13,133)</b> | <b>(12,883)</b> | <b>(13,133)</b> | <b>120,511</b>                                | <b>112,797</b>         | <b>172,082</b>         |

**Table 38 – Table SA 26 – Budgeted monthly revenue and expenditure (municipal vote)**

NC451 Joe Morolong - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Description                                   | Ref      | Budget Year 2018/19 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|-----------------------------------------------|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------------------|------------------------|------------------------|
| R thousand                                    |          | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Revenue by Vote</b>                        |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Vote 1 - Executive & Council                  |          | 6,869               |               |               |               |               |               |               |               |               |               |               | –             | 6,869                                         | 7,215                  | 7,563                  |
| Vote 2 - Budget & Treasury Office             |          | 13,139              | 13,139        | 13,139        | 13,139        | 13,139        | 13,139        | 13,139        | 13,139        | 13,139        | 13,139        | 13,139        | 13,139        | 157,673                                       | 170,775                | 182,939                |
| Vote 3 - Corporate Support Services           |          | 175                 | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 2,095                                         | 2,210                  | 2,331                  |
| Vote 4 - Community Services                   |          | 415                 | 415           | 415           | 415           | 415           | 415           | 415           | 415           | 415           | 415           | 415           | 415           | 4,980                                         | 5,164                  | 5,128                  |
| Vote 5 - Technical Services                   |          | 4,903               | 4,903         | 4,903         | 4,903         | 4,903         | 4,903         | 4,903         | 4,903         | 4,903         | 4,903         | 4,903         | 4,903         | 58,834                                        | 60,036                 | 63,357                 |
| Vote 6 - Electricity Services                 |          | 394                 | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 4,734                                         | 6,026                  | 7,670                  |
| Vote 7 - Water Services                       |          | 5,727               | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 68,728                                        | 61,846                 | 117,998                |
| Vote 8 - Development & Town Planning Services |          | 127                 | 127           | 127           | 127           | 127           | 127           | 127           | 127           | 127           | 127           | 127           | 127           | 1,522                                         | –                      | –                      |
| Vote 9 - [NAME OF VOTE 9]                     |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 10 - [NAME OF VOTE 10]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 11 - [NAME OF VOTE 11]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 12 - [NAME OF VOTE 12]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 13 - [NAME OF VOTE 13]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 14 - [NAME OF VOTE 14]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 15 - [NAME OF VOTE 15]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| <b>Total Revenue by Vote</b>                  |          | <b>31,750</b>       | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>305,435</b>                                | <b>313,271</b>         | <b>386,986</b>         |
| <b>Expenditure by Vote to be appropriated</b> |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Vote 1 - Executive & Council                  |          | 1,998               | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 23,981                                        | 25,348                 | 27,100                 |
| Vote 2 - Budget & Treasury Office             |          | 4,578               | 4,578         | 4,578         | 4,578         | 4,578         | 4,578         | 4,578         | 4,578         | 4,578         | 4,578         | 4,578         | 4,578         | 54,934                                        | 62,212                 | 68,029                 |
| Vote 3 - Corporate Support Services           |          | 1,730               | 1,730         | 1,730         | 1,730         | 1,730         | 1,730         | 1,730         | 1,730         | 1,730         | 1,730         | 1,730         | 1,730         | 20,756                                        | 22,028                 | 23,411                 |
| Vote 4 - Community Services                   |          | 1,058               | 1,058         | 1,058         | 1,058         | 1,058         | 1,058         | 1,058         | 1,058         | 1,058         | 1,058         | 1,058         | 1,058         | 12,700                                        | 13,486                 | 14,090                 |
| Vote 5 - Technical Services                   |          | 734                 | 734           | 734           | 734           | 734           | 734           | 734           | 734           | 734           | 734           | 734           | 734           | 8,807                                         | 9,290                  | 9,908                  |
| Vote 6 - Electricity Services                 |          | 923                 | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 11,077                                        | 12,173                 | 12,952                 |
| Vote 7 - Water Services                       |          | 3,743               | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 44,918                                        | 47,690                 | 50,637                 |
| Vote 8 - Development & Town Planning Services |          | 646                 | 646           | 646           | 646           | 646           | 646           | 646           | 646           | 646           | 646           | 646           | 646           | 7,751                                         | 8,248                  | 8,778                  |
| Vote 9 - [NAME OF VOTE 9]                     |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 10 - [NAME OF VOTE 10]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 11 - [NAME OF VOTE 11]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 12 - [NAME OF VOTE 12]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 13 - [NAME OF VOTE 13]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 14 - [NAME OF VOTE 14]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Vote 15 - [NAME OF VOTE 15]                   |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| <b>Total Expenditure by Vote</b>              |          | <b>15,410</b>       | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>184,924</b>                                | <b>200,474</b>         | <b>214,904</b>         |
| <b>Surplus/(Deficit) before assoc.</b>        |          | <b>16,339</b>       | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>120,511</b>                                | <b>112,797</b>         | <b>172,082</b>         |
| Taxation                                      |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Attributable to minorities                    |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| Share of surplus/ (deficit) of associate      |          |                     |               |               |               |               |               |               |               |               |               |               | –             | –                                             | –                      | –                      |
| <b>Surplus/(Deficit)</b>                      | <b>1</b> | <b>16,339</b>       | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>120,511</b>                                | <b>112,797</b>         | <b>172,082</b>         |

**Table 39 – Table SA 27 – Budgeted monthly revenue and expenditure (standard classification).**

NC451 Joe Morolong - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

| Description                                | Ref      | Budget Year 2018/19 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|--------------------------------------------|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------------------|------------------------|------------------------|
|                                            |          | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                          |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <b>Revenue - Functional</b>                |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Governance and administration</i>       |          | 20,183              | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 166,637                                       | 180,200                | 192,834                |
| Executive and council                      |          | 6,869               |               |               |               |               |               |               |               |               |               |               |               | 6,869                                         | 7,215                  | 7,563                  |
| Finance and administration                 |          | 13,314              | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 13,314        | 159,768                                       | 172,985                | 185,271                |
| Internal audit                             |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Community and public safety</i>         |          | 138                 | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 1,657                                         | 1,658                  | 1,429                  |
| Community and social services              |          | 138                 | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 138           | 1,655                                         | 1,656                  | 1,427                  |
| Sport and recreation                       |          | 0                   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 2                                             | 2                      | 2                      |
| Public safety                              |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Housing                                    |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Health                                     |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Economic and environmental services</i> |          | 5,031               | 5,031         | 5,031         | 5,031         | 5,031         | 5,031         | 5,031         | 5,031         | 5,031         | 5,031         | 5,031         | 5,031         | 60,366                                        | 60,046                 | 63,368                 |
| Planning and development                   |          | 5,029               | 5,029         | 5,029         | 5,029         | 5,029         | 5,029         | 5,029         | 5,029         | 5,029         | 5,029         | 5,029         | 5,029         | 60,346                                        | 60,025                 | 63,346                 |
| Road transport                             |          | 2                   | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 20                                            | 21                     | 22                     |
| Environmental protection                   |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Trading services</i>                    |          | 6,398               | 6,398         | 6,398         | 6,398         | 6,398         | 6,398         | 6,398         | 6,398         | 6,398         | 6,398         | 6,398         | 6,398         | 76,776                                        | 71,367                 | 129,355                |
| Energy sources                             |          | 394                 | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 394           | 4,734                                         | 6,026                  | 7,670                  |
| Water management                           |          | 5,727               | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 5,727         | 68,728                                        | 61,846                 | 117,998                |
| Waste water management                     |          | 175                 | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 175           | 2,103                                         | 2,218                  | 2,340                  |
| Waste management                           |          | 101                 | 101           | 101           | 101           | 101           | 101           | 101           | 101           | 101           | 101           | 101           | 101           | 1,211                                         | 1,277                  | 1,347                  |
| <i>Other</i>                               |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <b>Total Revenue - Functional</b>          |          | <b>31,750</b>       | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>24,881</b> | <b>305,435</b>                                | <b>313,271</b>         | <b>386,986</b>         |
| <b>Expenditure - Functional</b>            |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Governance and administration</i>       |          | 8,306               | 8,306         | 8,306         | 8,306         | 8,306         | 8,306         | 8,306         | 8,306         | 8,306         | 8,306         | 8,306         | 8,306         | 99,670                                        | 109,587                | 118,539                |
| Executive and council                      |          | 1,998               | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 1,998         | 23,981                                        | 25,348                 | 27,100                 |
| Finance and administration                 |          | 6,307               | 6,307         | 6,307         | 6,307         | 6,307         | 6,307         | 6,307         | 6,307         | 6,307         | 6,307         | 6,307         | 6,307         | 75,690                                        | 84,239                 | 91,440                 |
| Internal audit                             |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Community and public safety</i>         |          | 700                 | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 8,398                                         | 8,879                  | 9,154                  |
| Community and social services              |          | 700                 | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 700           | 8,398                                         | 8,879                  | 9,154                  |
| Sport and recreation                       |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Public safety                              |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Housing                                    |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Health                                     |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Economic and environmental services</i> |          | 1,452               | 1,452         | 1,452         | 1,452         | 1,452         | 1,452         | 1,452         | 1,452         | 1,452         | 1,452         | 1,452         | 1,452         | 17,426                                        | 18,465                 | 19,680                 |
| Planning and development                   |          | 1,078               | 1,078         | 1,078         | 1,078         | 1,078         | 1,078         | 1,078         | 1,078         | 1,078         | 1,078         | 1,078         | 1,078         | 12,939                                        | 13,659                 | 14,530                 |
| Road transport                             |          | 374                 | 374           | 374           | 374           | 374           | 374           | 374           | 374           | 374           | 374           | 374           | 374           | 4,487                                         | 4,806                  | 5,150                  |
| Environmental protection                   |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <i>Trading services</i>                    |          | 4,952               | 4,952         | 4,952         | 4,952         | 4,952         | 4,952         | 4,952         | 4,952         | 4,952         | 4,952         | 4,952         | 4,952         | 59,430                                        | 63,543                 | 67,531                 |
| Energy sources                             |          | 923                 | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 923           | 11,077                                        | 12,173                 | 12,952                 |
| Water management                           |          | 3,743               | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 3,743         | 44,918                                        | 47,690                 | 50,637                 |
| Waste water management                     |          | 179                 | 179           | 179           | 179           | 179           | 179           | 179           | 179           | 179           | 179           | 179           | 179           | 2,147                                         | 2,300                  | 2,465                  |
| Waste management                           |          | 107                 | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 107           | 1,287                                         | 1,379                  | 1,477                  |
| <i>Other</i>                               |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <b>Total Expenditure - Functional</b>      |          | <b>15,410</b>       | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>15,410</b> | <b>184,924</b>                                | <b>200,474</b>         | <b>214,904</b>         |
| <b>Surplus/(Deficit) before assoc.</b>     |          | <b>16,339</b>       | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>120,511</b>                                | <b>112,797</b>         | <b>172,082</b>         |
| Share of surplus/ (deficit) of associate   |          |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| <b>Surplus/(Deficit)</b>                   | <b>1</b> | <b>16,339</b>       | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>9,470</b>  | <b>120,511</b>                                | <b>112,797</b>         | <b>172,082</b>         |



**Table 40 – Table SA 28 – Budgeted monthly capital expenditure (municipal votes)**

NC451 Joe Morolong - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| Description                                       | Ref | Budget Year 2018/19 |        |        |         |        |        |         |        |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|-----------------------------------------------|------------------------|------------------------|
| R thousand                                        |     | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June   | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Multi-year expenditure to be appropriated</b>  | 1   |                     |        |        |         |        |        |         |        |        |        |        |        |                                               |                        |                        |
| Vote 1 - Executive & Council                      |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 2 - Budget & Treasury Office                 |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 3 - Corporate Support Services               |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 4 - Community Services                       |     | 1,280               | 1,280  | 1,280  | 1,280   | 1,280  | 1,280  | 1,280   | 1,280  | 1,280  | 1,280  | 1,280  | 1,280  | 15,361                                        | 16,205                 | 17,115                 |
| Vote 5 - Technical Services                       |     | 1,076               | 1,076  | 1,076  | 1,076   | 1,076  | 1,076  | 1,076   | 1,076  | 1,076  | 1,076  | 1,076  | 1,076  | 12,907                                        | 13,617                 | 14,366                 |
| Vote 6 - Electricity Services                     |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -                                             | -                      | -                      |
| Vote 7 - Water Services                           |     | 7,093               | 7,093  | 7,093  | 7,093   | 7,093  | 7,093  | 7,093   | 7,093  | 7,093  | 7,093  | 7,093  | 7,093  | 85,115                                        | 77,202                 | 134,198                |
| Vote 8 - Development & Town Planning Services     |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -                                             | -                      | -                      |
| Vote 9 - [NAME OF VOTE 9]                         |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 10 - [NAME OF VOTE 10]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>   | 2   | 9,449               | 9,449  | 9,449  | 9,449   | 9,449  | 9,449  | 9,449   | 9,449  | 9,449  | 9,449  | 9,449  | 9,449  | 113,383                                       | 107,024                | 165,679                |
| <b>Single-year expenditure to be appropriated</b> |     |                     |        |        |         |        |        |         |        |        |        |        |        |                                               |                        |                        |
| Vote 1 - Executive & Council                      |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 2 - Budget & Treasury Office                 |     | 41                  | 41     | 41     | 41      | 41     | 41     | 41      | 41     | 41     | 41     | 41     | 41     | 495                                           | 893                    | 1,254                  |
| Vote 3 - Corporate Support Services               |     | 188                 | 188    | 188    | 188     | 188    | 188    | 188     | 188    | 188    | 188    | 188    | 188    | 2,250                                         | 2,163                  | 2,282                  |
| Vote 4 - Community Services                       |     | 293                 | 293    | 293    | 293     | 293    | 293    | 293     | 293    | 293    | 293    | 293    | 293    | 3,515                                         | 3,329                  | 3,512                  |
| Vote 5 - Technical Services                       |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -                                             | -                      | -                      |
| Vote 6 - Electricity Services                     |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -                                             | -                      | -                      |
| Vote 7 - Water Services                           |     | 42                  | 42     | 42     | 42      | 42     | 42     | 42      | 42     | 42     | 42     | 42     | 42     | 500                                           | 528                    | 557                    |
| Vote 8 - Development & Town Planning Services     |     | 121                 | 121    | 121    | 121     | 121    | 121    | 121     | 121    | 121    | 121    | 121    | 121    | 1,447                                         | -                      | -                      |
| Vote 9 - [NAME OF VOTE 9]                         |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 10 - [NAME OF VOTE 10]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                       |     |                     |        |        |         |        |        |         |        |        |        |        | -      | -                                             | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>  | 2   | 684                 | 684    | 684    | 684     | 684    | 684    | 684     | 684    | 684    | 684    | 684    | 684    | 8,207                                         | 6,912                  | 7,604                  |
| <b>Total Capital Expenditure</b>                  | 2   | 10,132              | 10,132 | 10,132 | 10,132  | 10,132 | 10,132 | 10,132  | 10,132 | 10,132 | 10,132 | 10,132 | 10,132 | 121,590                                       | 113,935                | 173,283                |

**Table 41 – Table SA 29 – Budgeted monthly capital expenditure (standard classification)**

NC451 Joe Morolong - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

| Description                                   | Ref | Budget Year 2018/19 |        |        |         |        |        |         |        |        |        |        |          | Medium Term Revenue and Expenditure Framework |                        |                        |
|-----------------------------------------------|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|----------|-----------------------------------------------|------------------------|------------------------|
| R thousand                                    |     | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June     | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Capital Expenditure - Functional</b>       | 1   |                     |        |        |         |        |        |         |        |        |        |        |          |                                               |                        |                        |
| <i>Governance and administration</i>          |     | 229                 | 229    | 229    | 229     | 229    | 229    | 229     | 229    | 229    | 229    | 229    | 229      | 2,745                                         | 3,055                  | 3,536                  |
| Executive and council                         |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| Finance and administration                    |     | 229                 | 229    | 229    | 229     | 229    | 229    | 229     | 229    | 229    | 229    | 229    | 229      | 2,745                                         | 3,055                  | 3,536                  |
| Internal audit                                |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| <i>Community and public safety</i>            |     | 289                 | 289    | 289    | 289     | 289    | 289    | 289     | 289    | 289    | 289    | 289    | 289      | 3,465                                         | 3,276                  | 3,456                  |
| Community and social services                 |     | 280                 | 280    | 280    | 280     | 280    | 280    | 280     | 280    | 280    | 280    | 280    | 280      | 3,360                                         | 3,165                  | 3,339                  |
| Sport and recreation                          |     | –                   | –      | –      | –       | –      | –      | –       | –      | –      | –      | –      | –        | –                                             | –                      | –                      |
| Public safety                                 |     | 9                   | 9      | 9      | 9       | 9      | 9      | 9       | 9      | 9      | 9      | 9      | 9        | 105                                           | 111                    | 117                    |
| Housing                                       |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| Health                                        |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| <i>Economic and environmental services</i>    |     | 1,401               | 1,401  | 1,401  | 1,401   | 1,401  | 1,401  | 1,401   | 1,401  | 1,401  | 1,401  | 1,401  | 1,401    | 16,808                                        | 16,205                 | 17,115                 |
| Planning and development                      |     | 121                 | 121    | 121    | 121     | 121    | 121    | 121     | 121    | 121    | 121    | 121    | 121      | 1,447                                         | –                      | –                      |
| Road transport                                |     | 1,280               | 1,280  | 1,280  | 1,280   | 1,280  | 1,280  | 1,280   | 1,280  | 1,280  | 1,280  | 1,280  | 1,280    | 15,361                                        | 16,205                 | 17,115                 |
| Environmental protection                      |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| <i>Trading services</i>                       |     | 8,214               | 8,214  | 8,214  | 8,214   | 8,214  | 8,214  | 8,214   | 8,214  | 8,214  | 8,214  | 8,214  | 8,214    | 98,572                                        | 91,399                 | 149,176                |
| Energy sources                                |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| Water management                              |     | 1,080               | 1,080  | 1,080  | 1,080   | 1,080  | 1,080  | 1,080   | 1,080  | 1,080  | 1,080  | 1,080  | 73,738   | 85,615                                        | 77,729                 | 134,754                |
| Waste water management                        |     | 7,135               | 7,135  | 7,135  | 7,135   | 7,135  | 7,135  | 7,135   | 7,135  | 7,135  | 7,135  | 7,135  | (65,524) | 12,957                                        | 13,670                 | 14,421                 |
| Waste management                              |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| <i>Other</i>                                  |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| <b>Total Capital Expenditure - Functional</b> | 2   | 10,132              | 10,132 | 10,132 | 10,132  | 10,132 | 10,132 | 10,132  | 10,132 | 10,132 | 10,132 | 10,132 | 10,132   | 121,590                                       | 113,935                | 173,283                |
| <b>Funded by:</b>                             |     |                     |        |        |         |        |        |         |        |        |        |        |          |                                               |                        |                        |
| National Government                           |     | 9,489               | 9,489  | 9,489  | 9,489   | 9,489  | 9,489  | 9,489   | 9,489  | 9,489  | 9,489  | 9,489  | 9,489    | 113,868                                       | 107,916                | 166,933                |
| Provincial Government                         |     |                     |        | 10     |         |        |        |         |        |        |        |        | –        | 10                                            | –                      | –                      |
| District Municipality                         |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| Other transfers and grants                    |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| Transfers recognised - capital                |     | 9,489               | 9,489  | 9,499  | 9,489   | 9,489  | 9,489  | 9,489   | 9,489  | 9,489  | 9,489  | 9,489  | 9,489    | 113,878                                       | 107,916                | 166,933                |
| Public contributions & donations              |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| Borrowing                                     |     |                     |        |        |         |        |        |         |        |        |        |        | –        | –                                             | –                      | –                      |
| Internally generated funds                    |     | 643                 | 643    | 643    | 643     | 643    | 643    | 643     | 643    | 643    | 643    | 643    | 643      | 7,712                                         | 6,019                  | 6,350                  |
| <b>Total Capital Funding</b>                  |     | 10,132              | 10,132 | 10,142 | 10,132  | 10,132 | 10,132 | 10,132  | 10,132 | 10,132 | 10,132 | 10,132 | 10,132   | 121,590                                       | 113,935                | 173,283                |

Table 42– Table SA 30 – Budgeted monthly cash flow

NC451 Joe Morolong - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS                                                                                                                                                                                                                                                         | Budget Year 2018/19 |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 | Medium Term Revenue and Expenditure Framework |                        |                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                                                                                                            | July                | August          | Sept.           | October         | November        | December      | January         | February        | March         | April           | May             | June            | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                                                                                                                                                                                                                                                          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| <b>Cash Receipts By Source</b>                                                                                                                                                                                                                                             |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| Property rates                                                                                                                                                                                                                                                             | 2,160               | 2,160           | 2,160           | 2,160           | 2,160           | 2,160         | 2,160           | 2,160           | 2,160         | 2,160           | 2,160           | 2,160           | 25,917                                        | 27,342                 | 28,846                 |
| Service charges - electricity revenue                                                                                                                                                                                                                                      | 316                 | 316             | 316             | 316             | 316             | 316           | 316             | 316             | 316           | 316             | 316             | 316             | 3,787                                         | 4,820                  | 6,136                  |
| Service charges - water revenue                                                                                                                                                                                                                                            | 821                 | 821             | 821             | 821             | 821             | 821           | 821             | 821             | 821           | 821             | 821             | 821             | 9,857                                         | 10,399                 | 10,971                 |
| Service charges - sanitation revenue                                                                                                                                                                                                                                       | 140                 | 140             | 140             | 140             | 140             | 140           | 140             | 140             | 140           | 140             | 140             | 140             | 1,682                                         | 1,775                  | 1,872                  |
| Service charges - refuse revenue                                                                                                                                                                                                                                           | 81                  | 81              | 81              | 81              | 81              | 81            | 81              | 81              | 81            | 81              | 81              | 81              | 968                                           | 1,022                  | 1,078                  |
| Service charges - other                                                                                                                                                                                                                                                    | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Rental of facilities and equipment                                                                                                                                                                                                                                         | 11                  | 11              | 11              | 11              | 11              | 11            | 11              | 11              | 11            | 11              | 11              | 11              | 136                                           | 115                    | 121                    |
| Interest earned - external investments                                                                                                                                                                                                                                     | —                   | —               | 250             | —               | —               | 250           | —               | —               | 250           | —               | —               | 250             | 1,000                                         | 844                    | 890                    |
| Interest earned - outstanding debtors                                                                                                                                                                                                                                      | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Dividends received                                                                                                                                                                                                                                                         | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Fines, penalties and forfeits                                                                                                                                                                                                                                              | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Licences and permits                                                                                                                                                                                                                                                       | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Agency services                                                                                                                                                                                                                                                            | —                   | —               | —               | 1               | 1               | 1             | 1               | 1               | 1             | 1               | 1               | 1               | 10                                            | 8                      | 9                      |
| Transfer receipts - operational                                                                                                                                                                                                                                            | 68,075              | —               | —               | —               | —               | 39,025        | 819             | —               | 26,016        | —               | —               | —               | 133,935                                       | 115,266                | 123,528                |
| Other revenue                                                                                                                                                                                                                                                              | 156                 | 156             | 156             | 156             | 156             | 156           | 156             | 156             | 156           | 156             | 156             | 156             | 1,876                                         | 1,915                  | 2,021                  |
| <b>Cash Receipts by Source</b>                                                                                                                                                                                                                                             | <b>71,760</b>       | <b>3,685</b>    | <b>3,935</b>    | <b>3,686</b>    | <b>3,686</b>    | <b>42,961</b> | <b>4,505</b>    | <b>3,686</b>    | <b>29,953</b> | <b>3,686</b>    | <b>3,686</b>    | <b>3,936</b>    | <b>179,168</b>                                | <b>163,508</b>         | <b>175,473</b>         |
| <b>Other Cash Flows by Source</b>                                                                                                                                                                                                                                          |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| Transfer receipts - capital                                                                                                                                                                                                                                                | 58,162              | —               | —               | —               | —               | 34,897        | —               | —               | 23,265        | —               | —               | —               | 116,324                                       | 110,025                | 168,846                |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Proceeds on disposal of PPE                                                                                                                                                                                                                                                | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Short term loans                                                                                                                                                                                                                                                           | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Borrowing long term/refinancing                                                                                                                                                                                                                                            | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Increase (decrease) in consumer deposits                                                                                                                                                                                                                                   | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Decrease (Increase) in non-current debtors                                                                                                                                                                                                                                 | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Decrease (Increase) other non-current receivables                                                                                                                                                                                                                          | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Decrease (Increase) in non-current investments                                                                                                                                                                                                                             | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| <b>Total Cash Receipts by Source</b>                                                                                                                                                                                                                                       | <b>129,922</b>      | <b>3,685</b>    | <b>3,935</b>    | <b>3,686</b>    | <b>3,686</b>    | <b>77,858</b> | <b>4,505</b>    | <b>3,686</b>    | <b>53,218</b> | <b>3,686</b>    | <b>3,686</b>    | <b>3,936</b>    | <b>295,492</b>                                | <b>273,533</b>         | <b>344,319</b>         |
| <b>Cash Payments by Type</b>                                                                                                                                                                                                                                               |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| Employee related costs                                                                                                                                                                                                                                                     | 5,541               | 5,541           | 5,541           | 5,541           | 11,082          | 5,541         | 5,541           | 5,541           | 5,541         | 5,541           | 5,541           | 5,541           | 72,032                                        | 77,080                 | 82,362                 |
| Remuneration of councillors                                                                                                                                                                                                                                                | 974                 | 974             | 974             | 974             | 974             | 974           | 974             | 974             | 974           | 974             | 974             | 974             | 11,684                                        | 12,537                 | 13,452                 |
| Finance charges                                                                                                                                                                                                                                                            | 22                  | 22              | 22              | 22              | 22              | 22            | 22              | 22              | 22            | 22              | 22              | 22              | 269                                           | 284                    | 300                    |
| Bulk purchases - Electricity                                                                                                                                                                                                                                               | 602                 | 602             | 602             | 602             | 602             | 602           | 602             | 602             | 602           | 602             | 602             | 602             | 7,220                                         | 7,617                  | 8,036                  |
| Bulk purchases - Water & Sewer                                                                                                                                                                                                                                             | 576                 | 576             | 576             | 576             | 576             | 576           | 576             | 576             | 576           | 576             | 576             | 576             | 6,912                                         | 7,292                  | 7,693                  |
| Other materials                                                                                                                                                                                                                                                            | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Contracted services                                                                                                                                                                                                                                                        | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Transfers and grants - other municipalities                                                                                                                                                                                                                                | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Transfers and grants - other                                                                                                                                                                                                                                               | 351                 | 351             | 351             | 351             | 351             | 351           | 351             | 351             | 351           | 351             | 351             | 351             | 4,215                                         | 4,447                  | 4,691                  |
| Other expenditure                                                                                                                                                                                                                                                          | 3,666               | 3,666           | 3,666           | 3,666           | 3,666           | 3,666         | 3,666           | 3,666           | 3,666         | 3,666           | 3,666           | 3,666           | 43,990                                        | 46,133                 | 48,549                 |
| <b>Cash Payments by Type</b>                                                                                                                                                                                                                                               | <b>11,732</b>       | <b>11,732</b>   | <b>11,732</b>   | <b>11,732</b>   | <b>17,273</b>   | <b>11,732</b> | <b>11,732</b>   | <b>11,732</b>   | <b>11,732</b> | <b>11,732</b>   | <b>11,732</b>   | <b>11,732</b>   | <b>146,321</b>                                | <b>155,390</b>         | <b>165,082</b>         |
| <b>Other Cash Flows/Payments by Type</b>                                                                                                                                                                                                                                   |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |                                               |                        |                        |
| Capital assets                                                                                                                                                                                                                                                             | 10,132              | 10,132          | 10,132          | 10,132          | 10,132          | 10,132        | 10,132          | 10,132          | 10,132        | 10,132          | 10,132          | 10,132          | 121,590                                       | 113,935                | 173,283                |
| Repayment of borrowing                                                                                                                                                                                                                                                     | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| Other Cash Flows/Payments                                                                                                                                                                                                                                                  | —                   | —               | —               | —               | —               | —             | —               | —               | —             | —               | —               | —               | —                                             | —                      | —                      |
| <b>Total Cash Payments by Type</b>                                                                                                                                                                                                                                         | <b>21,864</b>       | <b>21,864</b>   | <b>21,864</b>   | <b>21,864</b>   | <b>27,405</b>   | <b>21,864</b> | <b>21,864</b>   | <b>21,864</b>   | <b>21,864</b> | <b>21,864</b>   | <b>21,864</b>   | <b>21,864</b>   | <b>267,910</b>                                | <b>269,325</b>         | <b>338,365</b>         |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>                                                                                                                                                                                                                                | <b>108,058</b>      | <b>(18,179)</b> | <b>(17,929)</b> | <b>(18,178)</b> | <b>(23,719)</b> | <b>55,994</b> | <b>(17,359)</b> | <b>(18,178)</b> | <b>31,353</b> | <b>(18,178)</b> | <b>(18,178)</b> | <b>(17,928)</b> | <b>27,582</b>                                 | <b>4,208</b>           | <b>5,954</b>           |
| Cash/cash equivalents at the month/year begin:                                                                                                                                                                                                                             | 2,340               | 110,358         | 92,219          | 74,291          | 56,113          | 32,394        | 88,388          | 71,030          | 52,852        | 84,205          | 66,028          | 47,850          | 2,340                                         | 29,922                 | 34,130                 |
| Cash/cash equivalents at the month/year end:                                                                                                                                                                                                                               | 110,398             | 92,219          | 74,291          | 56,113          | 32,394          | 88,388        | 71,030          | 52,852          | 84,205        | 66,028          | 47,850          | 29,922          | 29,922                                        | 34,130                 | 40,084                 |

### **2.13 Contracts having future budgetary implication**

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

### **2.14 Capital expenditure details**

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table 43: Table SA 34a - Capital expenditure on new assets by asset class**

**NC451 Joe Morolong - Supporting Table SA34a Capital expenditure on new assets by asset class**

| Description                                                              | Ref      | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                          |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                                                        | <b>1</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Capital expenditure on new assets by Asset Class/Sub-class</u></b> |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Infrastructure</u></b>                                             |          | <b>129,569</b>  | <b>166,879</b>  | <b>123,907</b>  | <b>102,592</b>       | <b>102,777</b>  | <b>102,777</b>     | <b>101,433</b>                                      | <b>95,104</b>          | <b>141,291</b>         |
| Roads Infrastructure                                                     |          | 29,361          | 40,570          | 18,466          | 15,695               | 15,695          | 15,695             | 12,907                                              | 13,617                 | 14,366                 |
| Roads                                                                    |          | 29,361          | 40,570          | 18,466          | 15,695               | 15,695          | 15,695             | 12,907                                              | 13,617                 | 14,366                 |
| Road Structures                                                          |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Road Furniture                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Infrastructure                                               |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Drainage Collection                                                      |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Conveyance                                                   |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Attenuation                                                              |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Electrical Infrastructure                                                |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Power Plants                                                             |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Substations                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Switching Station                                                     |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Transmission Conductors                                               |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Substations                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Switching Stations                                                    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Networks                                                              |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| LV Networks                                                              |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Supply Infrastructure                                              |          | 80,822          | 109,290         | 90,826          | 69,781               | 70,016          | 70,016             | 73,115                                              | 65,229                 | 109,754                |
| Dams and Weirs                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Boreholes                                                                |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Reservoirs                                                               |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Pump Stations                                                            |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Treatment Works                                                    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Bulk Mains                                                               |          | 80,822          | 109,290         | 90,631          | 69,631               | 69,866          | 69,866             | 72,615                                              | 64,702                 | 109,198                |
| Distribution                                                             |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Distribution Points                                                      |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| PRV Stations                                                             |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                           |          |                 |                 | 195             | 150                  | 150             | 150                | 500                                                 | 528                    | 557                    |
| Sanitation Infrastructure                                                |          | 19,386          | 17,018          | 14,616          | 17,065               | 17,065          | 17,065             | 15,361                                              | 16,205                 | 17,115                 |
| Pump Station                                                             |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Reticulation                                                             |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Waste Water Treatment Works                                              |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Outfall Sewers                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Toilet Facilities                                                        |          | 19,386          | 17,018          | 14,616          | 17,065               | 17,065          | 17,065             | 15,361                                              | 16,205                 | 17,115                 |
| Capital Spares                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Solid Waste Infrastructure                                               |          | –               | –               | –               | 50                   | –               | –                  | 50                                                  | 53                     | 56                     |
| Landfill Sites                                                           |          |                 |                 |                 | 50                   |                 |                    | 50                                                  | 53                     | 56                     |
| Waste Transfer Stations                                                  |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Waste Processing Facilities                                              |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Waste Drop-off Points                                                    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |

|                                              |            |              |              |              |              |              |              |              |              |
|----------------------------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Waste Separation Facilities                  |            |              |              |              |              |              |              |              |              |
| Electricity Generation Facilities            |            |              |              |              |              |              |              |              |              |
| Capital Spares                               |            |              |              |              |              |              |              |              |              |
| Rail Infrastructure                          | -          | -            | -            | -            | -            | -            | -            | -            | -            |
| Rail Lines                                   |            |              |              |              |              |              |              |              |              |
| Rail Structures                              |            |              |              |              |              |              |              |              |              |
| Rail Furniture                               |            |              |              |              |              |              |              |              |              |
| Drainage Collection                          |            |              |              |              |              |              |              |              |              |
| Storm water Conveyance                       |            |              |              |              |              |              |              |              |              |
| Attenuation                                  |            |              |              |              |              |              |              |              |              |
| MV Substations                               |            |              |              |              |              |              |              |              |              |
| LV Networks                                  |            |              |              |              |              |              |              |              |              |
| Capital Spares                               |            |              |              |              |              |              |              |              |              |
| Coastal Infrastructure                       | -          | -            | -            | -            | -            | -            | -            | -            | -            |
| Sand Pumps                                   |            |              |              |              |              |              |              |              |              |
| Piers                                        |            |              |              |              |              |              |              |              |              |
| Revetments                                   |            |              |              |              |              |              |              |              |              |
| Promenades                                   |            |              |              |              |              |              |              |              |              |
| Capital Spares                               |            |              |              |              |              |              |              |              |              |
| Information and Communication Infrastructure | -          | -            | -            | -            | -            | -            | -            | -            | -            |
| Data Centres                                 |            |              |              |              |              |              |              |              |              |
| Core Layers                                  |            |              |              |              |              |              |              |              |              |
| Distribution Layers                          |            |              |              |              |              |              |              |              |              |
| Capital Spares                               |            |              |              |              |              |              |              |              |              |
| <b>Community Assets</b>                      | <b>617</b> | <b>1,491</b> | <b>7,072</b> | <b>5,000</b> | <b>5,300</b> | <b>5,300</b> | <b>4,447</b> | <b>3,165</b> | <b>3,339</b> |
| Community Facilities                         | 617        | 1,491        | 7,072        | 5,000        | 5,300        | 5,300        | 4,447        | 3,165        | 3,339        |
| Halls                                        | 617        | 1,491        | 7,072        | 4,000        | 3,000        | 3,000        | 3,000        | 3,165        | 3,339        |
| Centres                                      |            |              |              |              |              |              |              |              |              |
| Crèches                                      |            |              |              |              |              |              |              |              |              |
| Clinics/Care Centres                         |            |              |              |              |              |              |              |              |              |
| Fire/Ambulance Stations                      |            |              |              |              |              |              |              |              |              |
| Testing Stations                             |            |              |              |              |              |              |              |              |              |
| Museums                                      |            |              |              |              |              |              |              |              |              |
| Galleries                                    |            |              |              |              |              |              |              |              |              |
| Theatres                                     |            |              |              |              |              |              |              |              |              |
| Libraries                                    |            |              |              |              |              |              |              |              |              |
| Cemeteries/Crematoria                        |            |              |              | 1,000        | 2,300        | 2,300        | 1,447        |              |              |
| Police                                       |            |              |              |              |              |              |              |              |              |
| Parks                                        |            |              |              |              |              |              |              |              |              |
| Public Open Space                            |            |              |              |              |              |              |              |              |              |
| Nature Reserves                              |            |              |              |              |              |              |              |              |              |
| Public Ablution Facilities                   |            |              |              |              |              |              |              |              |              |
| Markets                                      |            |              |              |              |              |              |              |              |              |
| Stalls                                       |            |              |              |              |              |              |              |              |              |
| Abattoirs                                    |            |              |              |              |              |              |              |              |              |
| Airports                                     |            |              |              |              |              |              |              |              |              |
| Taxi Ranks/Bus Terminals                     |            |              |              |              |              |              |              |              |              |
| Capital Spares                               |            |              |              |              |              |              |              |              |              |
| Sport and Recreation Facilities              | -          | -            | -            | -            | -            | -            | -            | -            | -            |
| Indoor Facilities                            |            |              |              |              |              |              |              |              |              |
| Outdoor Facilities                           |            |              |              |              |              |              |              |              |              |
| Capital Spares                               |            |              |              |              |              |              |              |              |              |

|                                               |      |        |       |       |       |       |       |       |       |
|-----------------------------------------------|------|--------|-------|-------|-------|-------|-------|-------|-------|
| <b><u>Heritage assets</u></b>                 | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| Monuments                                     |      |        |       |       |       |       |       |       |       |
| Historic Buildings                            |      |        |       |       |       |       |       |       |       |
| Works of Art                                  |      |        |       |       |       |       |       |       |       |
| Conservation Areas                            |      |        |       |       |       |       |       |       |       |
| Other Heritage                                |      |        |       |       |       |       |       |       |       |
|                                               | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| <b><u>Investment properties</u></b>           | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| Revenue Generating                            | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| <i>Improved Property</i>                      |      |        |       |       |       |       |       |       |       |
| <i>Unimproved Property</i>                    |      |        |       |       |       |       |       |       |       |
| Non-revenue Generating                        | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| <i>Improved Property</i>                      |      |        |       |       |       |       |       |       |       |
| <i>Unimproved Property</i>                    |      |        |       |       |       |       |       |       |       |
|                                               | -    | 12,185 | 2,099 | 3,691 | 4,117 | 4,117 | 800   | 633   | 668   |
| <b><u>Other assets</u></b>                    | -    | 12,185 | 2,099 | 3,691 | 4,117 | 4,117 | 800   | 633   | 668   |
| Operational Buildings                         | -    | 12,185 | 2,099 | 3,691 | 4,117 | 4,117 | 800   | 633   | 668   |
| <i>Municipal Offices</i>                      |      | 12,185 | 2,099 | 2,000 | 3,498 | 3,498 | 200   |       |       |
| <i>Pay/Enquiry Points</i>                     |      |        |       |       |       |       |       |       |       |
| <i>Building Plan Offices</i>                  |      |        |       |       |       |       |       |       |       |
| <i>Workshops</i>                              |      |        |       |       |       |       |       |       |       |
| <i>Yards</i>                                  |      |        |       | 1,691 | 619   | 619   | 600   | 633   | 668   |
| <i>Stores</i>                                 |      |        |       |       |       |       |       |       |       |
| <i>Laboratories</i>                           |      |        |       |       |       |       |       |       |       |
| <i>Training Centres</i>                       |      |        |       |       |       |       |       |       |       |
| <i>Manufacturing Plant</i>                    |      |        |       |       |       |       |       |       |       |
| <i>Depots</i>                                 |      |        |       |       |       |       |       |       |       |
| <i>Capital Spares</i>                         |      |        |       |       |       |       |       |       |       |
| Housing                                       | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| <i>Staff Housing</i>                          |      |        |       |       |       |       |       |       |       |
| <i>Social Housing</i>                         |      |        |       |       |       |       |       |       |       |
| <i>Capital Spares</i>                         |      |        |       |       |       |       |       |       |       |
|                                               | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| <b><u>Biological or Cultivated Assets</u></b> | -    | -      | -     | -     | -     | -     | -     | -     | -     |
| Biological or Cultivated Assets               |      |        |       |       |       |       |       |       |       |
|                                               | 246  | -      | 414   | 824   | 389   | 389   | 358   | 377   | 398   |
| <b><u>Intangible Assets</u></b>               | 246  | -      | 414   | 824   | 389   | 389   | 358   | 377   | 398   |
| Servitudes                                    |      |        |       |       |       |       |       |       |       |
| Licences and Rights                           | 246  | -      | 414   | 824   | 389   | 389   | 358   | 377   | 398   |
| <i>Water Rights</i>                           |      |        |       |       |       |       |       |       |       |
| <i>Effluent Licenses</i>                      |      |        |       |       |       |       |       |       |       |
| <i>Solid Waste Licenses</i>                   |      |        |       |       |       |       |       |       |       |
| <i>Computer Software and Applications</i>     | 246  | -      | 414   | 824   | 389   | 389   | 358   | 377   | 398   |
| <i>Load Settlement Software Applications</i>  |      |        |       |       |       |       |       |       |       |
| <i>Unspecified</i>                            |      |        |       |       |       |       |       |       |       |
| <b><u>Computer Equipment</u></b>              | (15) | 156    | -     | 490   | 715   | 715   | 1,137 | 1,570 | 1,969 |
| Computer Equipment                            | (15) | 156    |       | 490   | 715   | 715   | 1,137 | 1,570 | 1,969 |
| <b><u>Furniture and Office Equipment</u></b>  | -    | 440    | -     | 405   | 580   | 580   | 515   | 533   | 562   |
| Furniture and Office Equipment                |      | 440    |       | 405   | 580   | 580   | 515   | 533   | 562   |
| <b><u>Machinery and Equipment</u></b>         | -    | -      | -     | 1,062 | 512   | 512   | 50    | 53    | 56    |
| Machinery and Equipment                       |      |        |       | 1,062 | 512   | 512   | 50    | 53    | 56    |
| <b><u>Transport Assets</u></b>                | 667  | 621    | -     | 200   | -     | -     | 350   | -     | -     |

|                                                 |   |         |         |         |         |         |         |         |         |         |
|-------------------------------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Transport Assets                                |   | 667     | 621     |         | 200     |         |         | 350     |         |         |
| <u>Libraries</u>                                |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Libraries                                       |   |         |         |         |         |         |         |         |         |         |
| <u>Zoo's, Marine and Non-biological Animals</u> |   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Zoo's, Marine and Non-biological Animals        |   |         |         |         |         |         |         |         |         |         |
| <b>Total Capital Expenditure on new assets</b>  | 1 | 131,084 | 181,772 | 133,492 | 114,264 | 114,390 | 114,390 | 109,090 | 101,435 | 148,283 |



**Table 44: Table SA 34b - Capital expenditure on renewal existing assets by asset class**

NC451 Joe Morolong - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

| Description<br><br>R thousand                                                     | Ref<br><br>1 | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------------------------------------------|--------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                   |              | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b> |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Infrastructure</b>                                                             |              | -               | -               | -               | -                    | -               | -                  | 12,500                                              | 12,500                 | 25,000                 |
| Roads Infrastructure                                                              |              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Roads                                                                             |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Road Structures                                                                   |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Road Furniture                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Infrastructure                                                        |              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Drainage Collection                                                               |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Conveyance                                                            |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Attenuation                                                                       |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Electrical Infrastructure                                                         |              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Power Plants                                                                      |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Substations                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Switching Station                                                              |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Transmission Conductors                                                        |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Substations                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Switching Stations                                                             |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Networks                                                                       |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| LV Networks                                                                       |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Supply Infrastructure                                                       |              | -               | -               | -               | -                    | -               | -                  | 12,500                                              | 12,500                 | 25,000                 |
| Dams and Weirs                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Boreholes                                                                         |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Reservoirs                                                                        |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Pump Stations                                                                     |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Treatment Works                                                             |              |                 |                 |                 |                      |                 |                    | 12,500                                              | 12,500                 | 25,000                 |
| Bulk Mains                                                                        |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Distribution                                                                      |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Distribution Points                                                               |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| PRV Stations                                                                      |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sanitation Infrastructure                                                         |              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Pump Station                                                                      |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Reticulation                                                                      |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Waste Water Treatment Works                                                       |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Outfall Sewers                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Toilet Facilities                                                                 |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Solid Waste Infrastructure                                                        |              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Landfill Sites                                                                    |              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |

|                                              |   |   |   |   |   |   |   |   |
|----------------------------------------------|---|---|---|---|---|---|---|---|
| Waste Transfer Stations                      |   |   |   |   |   |   |   |   |
| Waste Processing Facilities                  |   |   |   |   |   |   |   |   |
| Waste Drop-off Points                        |   |   |   |   |   |   |   |   |
| Waste Separation Facilities                  |   |   |   |   |   |   |   |   |
| Electricity Generation Facilities            |   |   |   |   |   |   |   |   |
| Capital Spares                               |   |   |   |   |   |   |   |   |
| Rail Infrastructure                          | - | - | - | - | - | - | - | - |
| Rail Lines                                   |   |   |   |   |   |   |   |   |
| Rail Structures                              |   |   |   |   |   |   |   |   |
| Rail Furniture                               |   |   |   |   |   |   |   |   |
| Drainage Collection                          |   |   |   |   |   |   |   |   |
| Storm water Conveyance                       |   |   |   |   |   |   |   |   |
| Attenuation                                  |   |   |   |   |   |   |   |   |
| MV Substations                               |   |   |   |   |   |   |   |   |
| LV Networks                                  |   |   |   |   |   |   |   |   |
| Capital Spares                               |   |   |   |   |   |   |   |   |
| Coastal Infrastructure                       | - | - | - | - | - | - | - | - |
| Sand Pumps                                   |   |   |   |   |   |   |   |   |
| Piers                                        |   |   |   |   |   |   |   |   |
| Revetments                                   |   |   |   |   |   |   |   |   |
| Promenades                                   |   |   |   |   |   |   |   |   |
| Capital Spares                               |   |   |   |   |   |   |   |   |
| Information and Communication Infrastructure | - | - | - | - | - | - | - | - |
| Data Centres                                 |   |   |   |   |   |   |   |   |
| Core Layers                                  |   |   |   |   |   |   |   |   |
| Distribution Layers                          |   |   |   |   |   |   |   |   |
| Capital Spares                               |   |   |   |   |   |   |   |   |
| <b>Community Assets</b>                      | - | - | - | - | - | - | - | - |
| Community Facilities                         | - | - | - | - | - | - | - | - |
| Halls                                        |   |   |   |   |   |   |   |   |
| Centres                                      |   |   |   |   |   |   |   |   |
| Crèches                                      |   |   |   |   |   |   |   |   |
| Clinics/Care Centres                         |   |   |   |   |   |   |   |   |
| Fire/Ambulance Stations                      |   |   |   |   |   |   |   |   |
| Testing Stations                             |   |   |   |   |   |   |   |   |
| Museums                                      |   |   |   |   |   |   |   |   |
| Galleries                                    |   |   |   |   |   |   |   |   |
| Theatres                                     |   |   |   |   |   |   |   |   |
| Libraries                                    |   |   |   |   |   |   |   |   |
| Cemeteries/Crematoria                        |   |   |   |   |   |   |   |   |
| Police                                       |   |   |   |   |   |   |   |   |
| Parks                                        |   |   |   |   |   |   |   |   |
| Public Open Space                            |   |   |   |   |   |   |   |   |
| Nature Reserves                              |   |   |   |   |   |   |   |   |
| Public Ablution Facilities                   |   |   |   |   |   |   |   |   |
| Markets                                      |   |   |   |   |   |   |   |   |
| Stalls                                       |   |   |   |   |   |   |   |   |
| Abattoirs                                    |   |   |   |   |   |   |   |   |
| Airports                                     |   |   |   |   |   |   |   |   |
| Taxi Ranks/Bus Terminals                     |   |   |   |   |   |   |   |   |
| Capital Spares                               |   |   |   |   |   |   |   |   |
| Sport and Recreation Facilities              | - | - | - | - | - | - | - | - |
| Indoor Facilities                            |   |   |   |   |   |   |   |   |
| Outdoor Facilities                           |   |   |   |   |   |   |   |   |
| Capital Spares                               |   |   |   |   |   |   |   |   |

|                                              |   |   |   |   |   |   |   |   |   |
|----------------------------------------------|---|---|---|---|---|---|---|---|---|
| <b>Heritage assets</b>                       | - | - | - | - | - | - | - | - | - |
| Monuments                                    |   |   |   |   |   |   |   |   |   |
| Historic Buildings                           |   |   |   |   |   |   |   |   |   |
| Works of Art                                 |   |   |   |   |   |   |   |   |   |
| Conservation Areas                           |   |   |   |   |   |   |   |   |   |
| Other Heritage                               |   |   |   |   |   |   |   |   |   |
| <b>Investment properties</b>                 | - | - | - | - | - | - | - | - | - |
| Revenue Generating                           | - | - | - | - | - | - | - | - | - |
| <i>Improved Property</i>                     |   |   |   |   |   |   |   |   |   |
| <i>Unimproved Property</i>                   |   |   |   |   |   |   |   |   |   |
| Non-revenue Generating                       | - | - | - | - | - | - | - | - | - |
| <i>Improved Property</i>                     |   |   |   |   |   |   |   |   |   |
| <i>Unimproved Property</i>                   |   |   |   |   |   |   |   |   |   |
| <b>Other assets</b>                          | - | - | - | - | - | - | - | - | - |
| Operational Buildings                        | - | - | - | - | - | - | - | - | - |
| <i>Municipal Offices</i>                     |   |   |   |   |   |   |   |   |   |
| <i>Pay/Enquiry Points</i>                    |   |   |   |   |   |   |   |   |   |
| <i>Building Plan Offices</i>                 |   |   |   |   |   |   |   |   |   |
| <i>Workshops</i>                             |   |   |   |   |   |   |   |   |   |
| <i>Yards</i>                                 |   |   |   |   |   |   |   |   |   |
| <i>Stores</i>                                |   |   |   |   |   |   |   |   |   |
| <i>Laboratories</i>                          |   |   |   |   |   |   |   |   |   |
| <i>Training Centres</i>                      |   |   |   |   |   |   |   |   |   |
| <i>Manufacturing Plant</i>                   |   |   |   |   |   |   |   |   |   |
| <i>Depots</i>                                |   |   |   |   |   |   |   |   |   |
| <i>Capital Spares</i>                        |   |   |   |   |   |   |   |   |   |
| Housing                                      | - | - | - | - | - | - | - | - | - |
| <i>Staff Housing</i>                         |   |   |   |   |   |   |   |   |   |
| <i>Social Housing</i>                        |   |   |   |   |   |   |   |   |   |
| <i>Capital Spares</i>                        |   |   |   |   |   |   |   |   |   |
| <b>Biological or Cultivated Assets</b>       | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets              |   |   |   |   |   |   |   |   |   |
| <b>Intangible Assets</b>                     | - | - | - | - | - | - | - | - | - |
| Servitudes                                   |   |   |   |   |   |   |   |   |   |
| Licences and Rights                          | - | - | - | - | - | - | - | - | - |
| <i>Water Rights</i>                          |   |   |   |   |   |   |   |   |   |
| <i>Effluent Licenses</i>                     |   |   |   |   |   |   |   |   |   |
| <i>Solid Waste Licenses</i>                  |   |   |   |   |   |   |   |   |   |
| <i>Computer Software and Applications</i>    |   |   |   |   |   |   |   |   |   |
| <i>Load Settlement Software Applications</i> |   |   |   |   |   |   |   |   |   |
| <i>Unspecified</i>                           |   |   |   |   |   |   |   |   |   |
| <b>Computer Equipment</b>                    | - | - | - | - | - | - | - | - | - |
| Computer Equipment                           |   |   |   |   |   |   |   |   |   |
| <b>Furniture and Office Equipment</b>        | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment               |   |   |   |   |   |   |   |   |   |
| <b>Machinery and Equipment</b>               | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment                      |   |   |   |   |   |   |   |   |   |
| <b>Transport Assets</b>                      | - | - | - | - | - | - | - | - | - |

|                                                                |   |      |      |      |      |      |      |        |        |        |
|----------------------------------------------------------------|---|------|------|------|------|------|------|--------|--------|--------|
| Transport Assets                                               |   |      |      |      |      |      |      |        |        |        |
| <b><u>Libraries</u></b>                                        |   | -    | -    | -    | -    | -    | -    | -      | -      | -      |
| Libraries                                                      |   |      |      |      |      |      |      |        |        |        |
| <b><u>Zoo's, Marine and Non-biological Animals</u></b>         |   | -    | -    | -    | -    | -    | -    | -      | -      | -      |
| Zoo's, Marine and Non-biological Animals                       |   |      |      |      |      |      |      |        |        |        |
| <b>Total Capital Expenditure on renewal of existing assets</b> | 1 | -    | -    | -    | -    | -    | -    | 12,500 | 12,500 | 25,000 |
|                                                                |   |      |      |      |      |      |      |        |        |        |
| <b><i>Renewal of Existing Assets as % of total capex</i></b>   |   | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 10.3%  | 11.0%  | 14.4%  |
| <b><i>Renewal of Existing Assets as % of deprecn"</i></b>      |   | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 68.0%  | 53.4%  | 93.2%  |

**Table 45: Table SA 34c – Repairs and maintenance expenditure by asset class**

**NC451 Joe Morolong - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

| Description                                                                | Ref   | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------------|-------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                                                 | 1     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b><u>Repairs and maintenance expenditure by Asset Class/Sub-class</u></b> |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Infrastructure</u></b>                                               |       | <b>7,145</b>    | <b>27,577</b>   | <b>1,052</b>    | <b>4,054</b>         | <b>5,282</b>    | <b>5,282</b>       | <b>3,780</b>                                        | <b>4,482</b>           | <b>4,846</b>           |
| Roads Infrastructure                                                       | 314   | –               | –               | –               | 200                  | 300             | 300                | 250                                                 | 264                    | 278                    |
| Roads                                                                      | 314   |                 |                 |                 | 200                  | 300             | 300                | 250                                                 | 264                    | 278                    |
| Road Structures                                                            |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Road Furniture                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Infrastructure                                                 | –     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Drainage Collection                                                        |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Storm water Conveyance                                                     |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Attenuation                                                                |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Electrical Infrastructure                                                  | –     | 189             | 189             | 492             | 492                  | 492             | 492                | 100                                                 | 600                    | 750                    |
| Power Plants                                                               |       | 189             | 189             | 492             | 492                  | 492             | 492                | 100                                                 | 600                    | 750                    |
| HV Substations                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Switching Station                                                       |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| HV Transmission Conductors                                                 |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Substations                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Switching Stations                                                      |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| MV Networks                                                                |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| LV Networks                                                                |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Supply Infrastructure                                                | 1,693 | 27,260          | 857             | 3,056           | 4,230                | 4,230           | 4,230              | 3,150                                               | 3,323                  | 3,506                  |
| Dams and Weirs                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Boreholes                                                                  |       |                 | 857             |                 |                      |                 |                    |                                                     |                        |                        |
| Reservoirs                                                                 |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Pump Stations                                                              |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Water Treatment Works                                                      |       |                 |                 | 450             | 350                  | 350             | 350                | 350                                                 | 369                    | 390                    |
| Bulk Mains                                                                 | 1,693 | 27,260          |                 | 106             | 100                  | 100             | 100                | 300                                                 | 317                    | 334                    |
| Distribution                                                               |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Distribution Points                                                        |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| PRV Stations                                                               |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |       |                 |                 | 2,500           | 3,780                | 3,780           | 3,780              | 2,500                                               | 2,638                  | 2,783                  |
| Sanitation Infrastructure                                                  | 84    | 129             | 6               | 106             | 90                   | 90              | 90                 | 180                                                 | 190                    | 200                    |
| Pump Station                                                               |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Reticulation                                                               |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Waste Water Treatment Works                                                | 84    | 129             | 6               | 106             | 90                   | 90              | 90                 | 180                                                 | 190                    | 200                    |
| Outfall Sewers                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Toilet Facilities                                                          |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Capital Spares                                                             |       |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Solid Waste Infrastructure                                                 | 5,053 | –               | –               | 200             | 170                  | 170             | 170                | 100                                                 | 106                    | 111                    |

|                                              |          |            |          |            |            |            |            |            |            |
|----------------------------------------------|----------|------------|----------|------------|------------|------------|------------|------------|------------|
| Landfill Sites                               | 5,053    |            |          | 200        | 170        | 170        | 100        | 106        | 111        |
| Waste Transfer Stations                      |          |            |          |            |            |            |            |            |            |
| Waste Processing Facilities                  |          |            |          |            |            |            |            |            |            |
| Waste Drop-off Points                        |          |            |          |            |            |            |            |            |            |
| Waste Separation Facilities                  |          |            |          |            |            |            |            |            |            |
| Electricity Generation Facilities            |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| Rail Infrastructure                          | -        | -          | -        | -          | -          | -          | -          | -          | -          |
| Rail Lines                                   |          |            |          |            |            |            |            |            |            |
| Rail Structures                              |          |            |          |            |            |            |            |            |            |
| Rail Furniture                               |          |            |          |            |            |            |            |            |            |
| Drainage Collection                          |          |            |          |            |            |            |            |            |            |
| Storm water Conveyance                       |          |            |          |            |            |            |            |            |            |
| Attenuation                                  |          |            |          |            |            |            |            |            |            |
| MV Substations                               |          |            |          |            |            |            |            |            |            |
| LV Networks                                  |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| Coastal Infrastructure                       | -        | -          | -        | -          | -          | -          | -          | -          | -          |
| Sand Pumps                                   |          |            |          |            |            |            |            |            |            |
| Piers                                        |          |            |          |            |            |            |            |            |            |
| Revetments                                   |          |            |          |            |            |            |            |            |            |
| Promenades                                   |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| Information and Communication Infrastructure | -        | -          | -        | -          | -          | -          | -          | -          | -          |
| Data Centres                                 |          |            |          |            |            |            |            |            |            |
| Core Layers                                  |          |            |          |            |            |            |            |            |            |
| Distribution Layers                          |          |            |          |            |            |            |            |            |            |
| Capital Spares                               |          |            |          |            |            |            |            |            |            |
| <b>Community Assets</b>                      | <b>2</b> | <b>918</b> | <b>0</b> | <b>500</b> | <b>485</b> | <b>485</b> | <b>610</b> | <b>485</b> | <b>512</b> |
| Community Facilities                         | 1        | 917        | -        | 350        | 455        | 455        | 410        | 274        | 289        |
| Halls                                        | 1        | 917        |          | 150        | 150        | 150        | 150        | 158        | 167        |
| Centres                                      |          |            |          |            |            |            |            |            |            |
| Crèches                                      |          |            |          |            |            |            |            |            |            |
| Clinics/Care Centres                         |          |            |          |            |            |            |            |            |            |
| Fire/Ambulance Stations                      |          |            |          | 50         | 50         | 50         | 110        | 116        | 122        |
| Testing Stations                             |          |            |          |            |            |            |            |            |            |
| Museums                                      |          |            |          |            |            |            |            |            |            |
| Galleries                                    |          |            |          |            |            |            |            |            |            |
| Theatres                                     |          |            |          |            |            |            |            |            |            |
| Libraries                                    |          |            |          |            |            |            |            |            |            |
| Cemeteries/Crematoria                        |          |            |          |            |            |            |            |            |            |
| Police                                       |          |            |          |            |            |            |            |            |            |
| Parks                                        |          |            |          |            |            |            |            |            |            |
| Public Open Space                            |          |            |          |            |            |            |            |            |            |
| Nature Reserves                              |          |            |          | 150        | 255        | 255        | 150        |            |            |
| Public Ablution Facilities                   |          |            |          |            |            |            |            |            |            |
| Markets                                      |          |            |          |            |            |            |            |            |            |
| Stalls                                       |          |            |          |            |            |            |            |            |            |
| Abattoirs                                    |          |            |          |            |            |            |            |            |            |

|                                        |              |              |            |            |            |            |            |            |            |
|----------------------------------------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|
| Airports                               |              |              |            |            |            |            |            |            |            |
| Taxi Ranks/Bus Terminals               |              |              |            |            |            |            |            |            |            |
| Capital Spares                         |              |              |            |            |            |            |            |            |            |
| Sport and Recreation Facilities        | 0            | 1            | 0          | 150        | 30         | 30         | 200        | 211        | 223        |
| Indoor Facilities                      |              |              |            |            |            |            |            |            |            |
| Outdoor Facilities                     | 0            | 1            | 0          | 150        | 30         | 30         | 200        | 211        | 223        |
| Capital Spares                         | 1            | 1            | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| <b>Heritage assets</b>                 | -            | -            | -          | -          | -          | -          | -          | -          | -          |
| Monuments                              |              |              |            |            |            |            |            |            |            |
| Historic Buildings                     |              |              |            |            |            |            |            |            |            |
| Works of Art                           |              |              |            |            |            |            |            |            |            |
| Conservation Areas                     |              |              |            |            |            |            |            |            |            |
| Other Heritage                         |              |              |            |            |            |            |            |            |            |
| <b>Investment properties</b>           | -            | -            | -          | -          | -          | -          | -          | -          | -          |
| Revenue Generating                     | -            | -            | -          | -          | -          | -          | -          | -          | -          |
| Improved Property                      |              |              |            |            |            |            |            |            |            |
| Unimproved Property                    |              |              |            |            |            |            |            |            |            |
| Non-revenue Generating                 | -            | -            | -          | -          | -          | -          | -          | -          | -          |
| Improved Property                      |              |              |            |            |            |            |            |            |            |
| Unimproved Property                    |              |              |            |            |            |            |            |            |            |
| <b>Other assets</b>                    | <b>3,310</b> | <b>1,731</b> | <b>132</b> | <b>350</b> | <b>472</b> | <b>472</b> | <b>488</b> | <b>515</b> | <b>543</b> |
| Operational Buildings                  | 3,310        | 1,731        | 132        | 350        | 472        | 472        | 488        | 515        | 543        |
| Municipal Offices                      | 3,310        | 1,731        | 132        | 350        | 450        | 450        | 465        | 490        | 517        |
| Pay/Enquiry Points                     |              |              |            |            |            |            |            |            |            |
| Building Plan Offices                  |              |              |            |            |            |            |            |            |            |
| Workshops                              |              |              |            |            |            |            |            |            |            |
| Yards                                  |              |              |            |            | 22         | 22         | 23         | 24         | 26         |
| Stores                                 |              |              |            |            |            |            |            |            |            |
| Laboratories                           |              |              |            |            |            |            |            |            |            |
| Training Centres                       |              |              |            |            |            |            |            |            |            |
| Manufacturing Plant                    |              |              |            |            |            |            |            |            |            |
| Depots                                 |              |              |            |            |            |            |            |            |            |
| Capital Spares                         |              |              |            |            |            |            |            |            |            |
| Housing                                | -            | -            | -          | -          | -          | -          | -          | -          | -          |
| Staff Housing                          |              |              |            |            |            |            |            |            |            |
| Social Housing                         |              |              |            |            |            |            |            |            |            |
| Capital Spares                         |              |              |            |            |            |            |            |            |            |
| <b>Biological or Cultivated Assets</b> | -            | -            | -          | -          | -          | -          | -          | -          | -          |
| Biological or Cultivated Assets        |              |              |            |            |            |            |            |            |            |
| <b>Intangible Assets</b>               | 110          | 207          | -          | -          | -          | -          | -          | -          | -          |
| Servitudes                             |              |              |            |            |            |            |            |            |            |
| Licences and Rights                    | 110          | 207          | -          | -          | -          | -          | -          | -          | -          |
| Water Rights                           |              |              |            |            |            |            |            |            |            |
| Effluent Licenses                      |              |              |            |            |            |            |            |            |            |
| Solid Waste Licenses                   |              |              |            |            |            |            |            |            |            |
| Computer Software and Applications     | 110          | 207          |            |            |            |            |            |            |            |

|                                                          |   |        |        |       |       |       |       |       |       |       |
|----------------------------------------------------------|---|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| <i>Load Settlement Software Applications Unspecified</i> |   |        |        |       |       |       |       |       |       |       |
| <b><u>Computer Equipment</u></b>                         |   | –      | –      | –     | 100   | 100   | 100   | 100   | 106   | 111   |
| Computer Equipment                                       |   |        |        |       | 100   | 100   | 100   | 100   | 106   | 111   |
| <b><u>Furniture and Office Equipment</u></b>             |   | 27     | –      | –     | –     | –     | –     | –     | –     | –     |
| Furniture and Office Equipment                           |   | 27     |        |       |       |       |       |       |       |       |
| <b><u>Machinery and Equipment</u></b>                    |   | –      | –      | –     | –     | –     | –     | –     | –     | –     |
| Machinery and Equipment                                  |   |        |        |       |       |       |       |       |       |       |
| <b><u>Transport Assets</u></b>                           |   | 656    | 182    | –     | 200   | 308   | 308   | 1,000 | 1,055 | 1,113 |
| Transport Assets                                         |   | 656    | 182    |       | 200   | 308   | 308   | 1,000 | 1,055 | 1,113 |
| <b><u>Libraries</u></b>                                  |   | –      | –      | –     | –     | –     | –     | –     | –     | –     |
| Libraries                                                |   |        |        |       |       |       |       |       |       |       |
| <b><u>Zoo's, Marine and Non-biological Animals</u></b>   |   | –      | –      | –     | –     | –     | –     | –     | –     | –     |
| Zoo's, Marine and Non-biological Animals                 |   |        |        |       |       |       |       |       |       |       |
| <b>Total Repairs and Maintenance Expenditure</b>         | 1 | 11,248 | 30,615 | 1,185 | 5,204 | 6,647 | 6,647 | 5,978 | 6,643 | 7,125 |
|                                                          |   |        |        |       |       |       |       |       |       |       |
| <b><i>R&amp;M as a % of PPE</i></b>                      |   | 0.9%   | 1.8%   | 0.1%  | 0.3%  | 0.4%  | 0.4%  | 0.0%  | 0.3%  | 0.3%  |
| <b><i>R&amp;M as % Operating Expenditure</i></b>         |   | 12.5%  | 8.6%   | 0.6%  | 3.2%  | 3.8%  | 3.8%  | 0.0%  | 3.6%  | 3.6%  |



**Table 46: Table SA 36 – Detailed capital budget per municipal vote**

**NC451 Joe Morolong - Supporting Table SA36 Detailed capital budget**

| Municipal Vote/Capital project                                                                | R<br>e<br>f | Program/Project description                  | Pr<br>o<br>j<br>e<br>c<br>t<br>n<br>u<br>m<br>b<br>e<br>r | Individual<br>y<br>Approved<br>(Yes/No)<br>6 | Asset Class<br>3            | Asset Sub-Class<br>3     | GPS<br>co-<br>ordina<br>tes<br>5 | Total<br>Project<br>Estimate | Prior year outcomes           |                                                        | 2018/19 Medium Term<br>Revenue & Expenditure<br>Framework |                              |                              | Project information |                   |
|-----------------------------------------------------------------------------------------------|-------------|----------------------------------------------|-----------------------------------------------------------|----------------------------------------------|-----------------------------|--------------------------|----------------------------------|------------------------------|-------------------------------|--------------------------------------------------------|-----------------------------------------------------------|------------------------------|------------------------------|---------------------|-------------------|
|                                                                                               |             |                                              |                                                           |                                              |                             |                          |                                  |                              | Audited<br>Outcome<br>2016/17 | Current<br>Year<br>2017/18<br>Full<br>Year<br>Forecast | Budget<br>Year<br>2018/19                                 | Budget<br>Year +1<br>2019/20 | Budget<br>Year +2<br>2020/21 | Ward<br>location    | New or<br>renewal |
| <b>Parent municipality:</b><br><i>List all capital projects<br/>grouped by Municipal Vote</i> |             |                                              |                                                           |                                              |                             |                          |                                  |                              |                               |                                                        |                                                           |                              |                              |                     |                   |
| <b>WATER UNIT</b>                                                                             |             | <b>MAHUKUBUNG WATER PROJECT</b>              |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 9,505                                                     |                              |                              | 1                   |                   |
| <b>WATER UNIT</b>                                                                             |             | MAKHUBUNG WATER PROJECT                      |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 7,957                                                     |                              |                              | 15                  |                   |
| <b>WATER UNIT</b>                                                                             |             | PERTH WATER PROJECT                          |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 10,154                                                    |                              |                              | 1                   |                   |
| <b>WATER UNIT</b>                                                                             |             | LOTLHAKAJANEG WATER<br>PROJECT               |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 12,499                                                    |                              |                              | 12                  |                   |
| <b>WATER UNIT</b>                                                                             |             | DEURWARD WATER PROJECCT                      |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 10,699                                                    |                              |                              | 12                  |                   |
| <b>WATER UNIT</b>                                                                             |             | KOKFONTEIN WATER PROJECT                     |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 7,150                                                     |                              |                              |                     |                   |
| <b>WATER UNIT</b>                                                                             |             | MMAMEBE WATER PROJECT                        |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 3,652                                                     |                              |                              | 8                   |                   |
| <b>WATER UNIT</b>                                                                             |             | DITHAKONG WATER PROJECT                      |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        | 11,000                                                    |                              |                              | 11                  |                   |
| <b>WATER UNIT</b>                                                                             |             | WATER PROJECT                                |                                                           | Yes                                          | Water Supply Infrastructure | Bulk Mains               |                                  |                              |                               |                                                        |                                                           | 64,702                       | 109,198                      |                     |                   |
| <b>WATER UNIT</b>                                                                             |             | LOGOBATE WATER<br>REFURBISHMENT              |                                                           | Yes                                          | Water Supply Infrastructure | Water Treatment<br>Works |                                  |                              |                               |                                                        | 2,834                                                     |                              |                              | 7                   |                   |
| <b>WATER UNIT</b>                                                                             |             | BOTHETHELETSA WATER<br>REFURBISHMENT         |                                                           | Yes                                          | Water Supply Infrastructure | Water Treatment<br>Works |                                  |                              |                               |                                                        | 2,522                                                     |                              |                              | 14                  |                   |
| <b>WATER UNIT</b>                                                                             |             | GOODHOPE WATER<br>REFURBISHMENT              |                                                           | Yes                                          | Water Supply Infrastructure | Water Treatment<br>Works |                                  |                              |                               |                                                        | 1,284                                                     |                              |                              | 6                   |                   |
| <b>WATER UNIT</b>                                                                             |             | VANZYL RUS WATER<br>REFURBISHMENT            |                                                           | Yes                                          | Water Supply Infrastructure | Water Treatment<br>Works |                                  |                              |                               |                                                        | 5,860                                                     |                              |                              | 4                   |                   |
| <b>WATER UNIT</b>                                                                             |             | WATER REFURBISHMENT                          |                                                           | Yes                                          | Water Supply Infrastructure | Water Treatment<br>Works |                                  |                              |                               |                                                        |                                                           | 12,500                       | 12,500                       |                     |                   |
| <b>ROADS UNIT</b>                                                                             |             | GAMAKGATLE ROADS PROJECT                     |                                                           | Yes                                          | Roads Infrastructure        | Roads                    |                                  |                              |                               |                                                        | 6,000                                                     |                              |                              | 10                  |                   |
| <b>ROADS UNIT</b>                                                                             |             | CHURCHILL/ESPERENZA PHASE<br>4 ROADS PROJECT |                                                           | Yes                                          | Roads Infrastructure        | Roads                    |                                  |                              |                               |                                                        | 5,000                                                     |                              |                              | 7                   |                   |
| <b>ROADS UNIT</b>                                                                             |             | MAKHUBUNG PHASE 5 ROADS<br>PROJECT           |                                                           | Yes                                          | Roads Infrastructure        | Roads                    |                                  |                              |                               |                                                        | 4,361                                                     |                              |                              | 1                   |                   |

|                                                                        |                                  |  |     |                                |                                    |  |  |  |   |       |                |                |                |  |
|------------------------------------------------------------------------|----------------------------------|--|-----|--------------------------------|------------------------------------|--|--|--|---|-------|----------------|----------------|----------------|--|
| ROADS UNIT                                                             | ROADS PROJECT                    |  | Yes | Roads Infrastructure           | Roads                              |  |  |  |   |       | 13,617         | 14,366         |                |  |
| COMMUNITY SERVICES                                                     | WINDGATE SANITATION PROJECTS     |  | Yes | Sanitation Infrastructure      | Toilet Facilities                  |  |  |  |   | 4,302 |                |                | 6              |  |
| COMMUNITY SERVICES                                                     | DITHAKONG SANITATION PROJECTS    |  | Yes | Sanitation Infrastructure      | Toilet Facilities                  |  |  |  |   | 4,302 |                |                | 10             |  |
| COMMUNITY SERVICES                                                     | KANANA SANITATION PROJECTS       |  | Yes | Sanitation Infrastructure      | Toilet Facilities                  |  |  |  |   | 4,302 |                |                | 5              |  |
| COMMUNITY SERVICES                                                     | SANITATION PROJECTS              |  | Yes | Sanitation Infrastructure      | Toilet Facilities                  |  |  |  |   |       | 16,205         | 17,115         |                |  |
| CORPORATE SERVICES                                                     | BUILDING                         |  | Yes | Operational Buildings          | Municipal Offices                  |  |  |  |   | 200   | –              | –              | 7              |  |
| PLANNING & DEVELOPMENT                                                 | CEMETRIES                        |  | Yes | Community Facilities           | Cemeteries/Crematoria              |  |  |  |   | 1,447 | –              | –              | 7              |  |
| CORPORATE SERVICES                                                     | COMPUTERS & PRINTERS             |  | Yes | Computer Equipment             | Computer Software and Applications |  |  |  |   | 1,137 | 1,570          | 1,969          | 7              |  |
| CORPORATE SERVICES                                                     | MUNICIPAL FENCING                |  | Yes | Operational Buildings          | Municipal Offices                  |  |  |  |   | 600   | 633            | 668            | 7              |  |
| COMMUNITY SERVICES                                                     | LAWNMOWER                        |  | Yes | Machinery and Equipment        | Municipal Offices                  |  |  |  |   | 350   | –              | –              | 7              |  |
| COMMUNITY SERVICES                                                     | HALLS                            |  | Yes | Community Facilities           | Halls                              |  |  |  |   | 3,000 | 3,165          | 3,339          | 7              |  |
| CORPORATE SERVICES                                                     | OFFICE FURNITURE                 |  | Yes | Furniture and Office Equipment | Computer Software and Applications |  |  |  |   | 300   | 317            | 334            | 7              |  |
| CORPORATE SERVICES                                                     | OFFICE EQUIPMENT                 |  | Yes | Furniture and Office Equipment | Improved Property                  |  |  |  |   | 215   | 216            | 228            | 7              |  |
| WATER UNIT                                                             | PVC TANKS (RENEWAL)              |  | Yes | Water Supply Infrastructure    | Water Treatment Works              |  |  |  |   | 500   | 528            | 557            | 7              |  |
| CORPORATE SERVICES                                                     | SOFTWARES                        |  | Yes | Licences and Rights            | Computer Software and Applications |  |  |  |   | 358   | 377            | 398            | 7              |  |
| SEWERAGE SERVICES                                                      | EQUIPMENT WASTE WATER MANAGEMENT |  | Yes | Machinery and Equipment        | Waste Water Treatment Works        |  |  |  |   | 50    | 53             | 56             | 7              |  |
| CORPORATE SERVICES                                                     | WATER DISPENSER                  |  | Yes | Furniture and Office Equipment |                                    |  |  |  |   | 50    | 53             | 56             | 7              |  |
| <b>Parent Capital expenditure</b>                                      | 1                                |  |     |                                |                                    |  |  |  |   |       | <b>121,590</b> | <b>113,935</b> | <b>160,783</b> |  |
| <b>Entities:</b><br><i>List all capital projects grouped by Entity</i> |                                  |  |     |                                |                                    |  |  |  |   |       |                |                |                |  |
| <b>Entity A</b><br>Water project A                                     |                                  |  |     |                                |                                    |  |  |  |   |       |                |                |                |  |
| <b>Entity B</b><br>Electricity project B                               |                                  |  |     |                                |                                    |  |  |  |   |       |                |                |                |  |
| <b>Entity Capital expenditure</b>                                      |                                  |  |     |                                |                                    |  |  |  | – | –     | –              | –              | –              |  |
| <b>Total Capital expenditure</b>                                       |                                  |  |     |                                |                                    |  |  |  | – | –     | <b>121,590</b> | <b>113,935</b> | <b>160,783</b> |  |



## **2.14 Legislation Compliance Status**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget & Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed 9 of the 22 interns trained. During the internship programme, 5 interns and a majority of those who completed the programme were appointed in different departments and municipalities.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

The municipality is currently using the shared Audit Committee with the District municipality. The municipality intends to establish its own Internal Audit Unit and the progress is unfolding. The structure is developed, costed and will be submitted to Council for approval.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2018/19 MTREF in May 2018 directly aligned and informed by the 2018/19 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

## 2.15 Municipal Manager's Quality Certificate

JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG  
LOCAL MUNICIPALITY

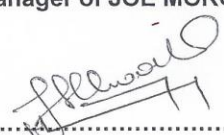
NC 451

### QUALITY CERTIFICATE

I, Tebogo Tlhoale, Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY, hereby certify that the Tabled Budget and Supporting Documentation have been prepared in accordance with the Municipal Finance Management Act; (Act 56 of 2003) and regulations made under the act and that the Annual Budget are consistent with the Integrated Development Plan of the municipality.

PRINT NAME: TEBOGO TLHOALE

Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)

Signature: 

Date : 28/03/2018